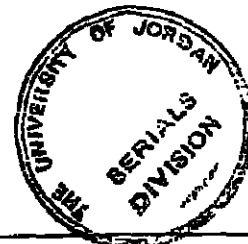


Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

Paris, Monday, February 14, 1994

No. 34,511



OLYMPIC PODIUM

Another U.S. Shocker: Moe Wins Downhill Race

Tommy Moe, right, coming down the piste next, overtook the favored Kjetil Andre Aamodt to win the men's downhill race Sunday by .04 seconds. That abruptly cut short the celebrations of nearly 40,000 Norwegian spectators and made Moe the first U.S. gold medalist in the Olympic downhill since Bill Johnson surprised the European stars by winning the event in Sarajevo 10 years ago.

Ed Podivinsky of Canada, who won his first World Cup downhill in Lech, Austria, in January, got the bronze, just 0.12 seconds behind Moe.

Moe, 23, who has never won a World Cup race, said, "I can't believe I skied that well."

Hillary Rodham Clinton, the wife of the U.S. president, arrived 40 minutes after the start, too late to see Moe ski to victory, but still declared: "It's a thrill."

Koss, Hackl Set Marks

Speed skater Johann Olav Koss of Norway broke his 5,000-meter world record to win the host nation's first gold medal of the Winter Olympics in 6 minutes, 34.96 seconds. Teammate Kjell Storiell, whose time of 6:42.68 had been an Olympic record until Koss skated two pairs later, won the silver. Rintje Ritsma of the Netherlands, the world-record holder at 1,500 meters, won the bronze in 6:43.94.

Georg Hackl of Germany, seeking to become a repeat gold medalist in the men's luge, set a track record on the first run but barely edged out archrival Markus Prock of Austria. The final two runs are set for Monday.

Duncan Kennedy, the American luger who was assaulted by a group of neo-Nazis while training last October in Oberhof, Germany, finished the two runs Sunday in fourth place in the competition.

It's Never Too Late

Manuela Di Centa of Italy took the lead early in the women's 15-kilometer cross-country freestyle ski race and won her first major title, at age 31. Lyubov Egorova of Russia, who won the country's first medal in the 1992 Olympics with three gold and two silver medals, finished a distant second; her teammate, Nina Gavriluk, took the bronze medal.

Olympic report: Pages 14, 15 and 16



Tommy Moe of the United States soaring toward his downhill victory Sunday, winning the first U.S. Alpine skiing gold in 10 years.

On and Off Ice, 2 Strong-Willed Women Share Space

By Jere Longman

HAMAR, Norway — Olympic officials were wrong if they thought the frenzy would abate after Tonya Harding was given her Olympic green light.

A crush of reporters and photographers showed up Sunday to watch Nancy Kerrigan struggle through practice. More security was put on alert than is usually needed for King Harald V. Even the First Teenager, Chelsea Clinton, showed up to see what all the fuss was about.

What did Kerrigan think about Harding's being allowed to compete? It was a question everyone wanted to ask, but nobody got the chance.

Kerrigan, who put her hand to the ice once

during a run-through of her long program and later fell twice, left the Olympic training rink without answering questions.

Later, she issued a statement: "Regardless of my opinion on the ruling, the Olympics have begun and it is time to skate. We have all worked very hard to get here and I hope now that the focus can turn to the competition and all of the athletes who represent the pinnacle in athleticism and sportsmanship."

Early Sunday morning, the U.S. Olympic Committee canceled a disciplinary hearing that had been planned for Friday and gave Harding the go-ahead to compete in the Winter Games. The uncertainty about her presence had siphoned attention from the rest of the Olympics. U.S. Olympic officials were afraid this would become a one-story event.

In exchange, Harding dropped a \$25 million lawsuit.

The women's competition begins on Feb. 23. The highest-rated Olympic television show ever is expected for the long program on Feb. 25.

Kerrigan and Harding are going head to head on many fronts: for gold medals, magazine covers, book sales, television appearances. So far, neither has backed down. Both were given a chance to train at an alternate rink in Oslo. Both declined, according to Gale Tanner, head of the U.S. figure skating team. The Olympic rink and its adjacent training rink are, at 100 feet by 200 feet (30 by 60 meters), larger than many rinks and require some fine-tuning with respect to planning jumps.

"At this point, they would rather train on

the official ice," Tanner said Sunday. "We'll see how it works."

Kerrigan and Harding will stay at the Tønsberg Music School, which is serving as a dormitory-style Olympic village for figure skaters and speed skaters. One will sleep on the first floor, the other on the second. At some point, they will undoubtedly bump into each other. In a van on the way to practice. At a team meeting. In the dressing room. In the lunch counter line.

"They are strong personalities," said Claire Ferguson, president of the U.S. Figure Skating Association. "I don't think there will be a problem with their ability to cope with the situation."

"It's going to have to be O.K., it's the See SKATER, Page 15

Serb Forces Insist Muslims Withdraw Infantry in Sarajevo

Commander Links Pullback Demand To Putting Arms Under UN Control

By John Kifner

New York Times Service

SARAJEVO, Bosnia-Herzegovina — Serbian nationalists threw confusion into the United Nations-brokered peace effort Sunday with a demand that Bosnian Muslim infantry be pulled back in exchange for withdrawing their artillery besieging the city or turning it over to UN control.

Even with the clock ticking toward a NATO ultimatum to withdraw the heavy guns by midnight Feb. 20 or face air strikes, the new Serbian objection was strikingly similar to the maneuvers, evasions and broken pledges that have dissipated ultimatums and peace efforts here in the past.

The Bosnian prime minister, Haris Silajdzic, accused the Serbs on Sunday night of "a transparent attempt to delay and get out of NATO's deadline."

"That has to be expected. It has been their tactics for the last two years," Mr. Silajdzic said, adding that he hoped the new UN leadership here, under Sir Michael Rose of Britain, was "professional enough to prevent these tactics of manipulation."

The UN officer responsible for negotiating with the joint commission of Bosnian and Serbian commanders set up under Lieutenant General Rose's peace plan, Brigadier General Andre Soubirou of France, went to the mountain town of Pale on Sunday morning to meet with the chief of staff of the self-styled Srpska Republic's army, General Manojlo Milovanovic, after Serbian officers failed to show up for a meeting at the airport.

General Milovanovic, in a statement backed up by the president of the breakaway Serbs, Radovan Karadzic, demanded that the Muslim-led government's infantry be pulled back from its front-line positions.

"Back on February 9," General Milovanovic told reporters, referring to the airport meeting at which the cease-fire was brokered, "I said that if they wanted to put Serb artillery under

control, they had to put the Muslim infantry under control, because our artillery is a balance to the more numerous Muslim infantry. Therefore, I did not allow the withdrawal or control of the Serb artillery."

General Milovanovic said after a round of meetings with General Soubirou, "I haven't changed my position because they were unable to secure the Muslim army."

At nightfall, UN officials were describing the meeting as "productive" and saying that, after a day's pause, some more small amounts of anti-aircraft guns, cannons, howitzers, mortars and

THE BOSNIA THREAT

NATO's ultimatum: Only a first timid step. Factions suspend talks until March.

Moscow softens its opposition to air strikes.

Q&A: Muslim chief welcomes new U.S. role.

Articles on Page 2.

rocket launchers had been turned over — 13 from the Serbs and 5 from the Muslims.

General Rose said in a statement Sunday night that the cease-fire that went into effect at noon Friday was "holding" and that UN troops had been increased and were expanding their presence in confrontation areas.

"These troops are here to stay," General Rose said. While the Serbs have a vast advantage of heavy weapons ringing the city, handed over and, in many cases dug in, by the Serb-dominated National Army just before the breakup of Yugoslavia, the Bosnian Muslims, from more populous urban areas, have built a numerical advantage in troops.

By the estimate of a top Bosnian Army commander, General Jovan Divjak, the Serbs have over a thousand heavy weapons of 12.7mm and above, including a large number of mortars, and about 80 tanks and armored personnel carriers and 14,000 to 15,000 infantrymen. Inside the city, he said, the Bosnian Muslims have

See BOSNIA, Page 2

Japan Rallies to Hosokawa In Standoff With Clinton

Washington Plans To Retaliate With Import Sanctions

Trade Managed By U.S. Is Rejected As 'Unacceptable'

By Peter Behr and Clay Chandler

Washington Post Service

WASHINGTON — The Clinton administration has decided to retaliate against Japan with sanctions on some imports to maintain U.S. negotiating credibility after a breakdown in trade talks between the world's two leading economic powers, officials say.

A senior official said over the weekend that the administration, which has not given up hope of an eventual settlement, was obliged to act firmly after the failure Friday of President Bill Clinton and Prime Minister Morihiro Hosokawa of Japan to reach agreement on reducing Japan's \$60 billion trade surplus with the United States.

"We'd lose total control of the process," the official said, referring to the negotiations. "We'd be clobbered" at home, he added, referring to expectations in Congress and much of the U.S. business community that Japan must be pressed to open its markets wider.

President Clinton has made no decision on imposing sanctions against some Japanese imports, a White House spokesman said Sunday in Hot Springs, Arkansas, according to Reuters. "No decision has been taken," said the spokesman, who was traveling with the president.

There was strong support in Japan for Mr. Hosokawa, after his refusal to agree to the U.S. demands for concrete commitments on increased purchases of foreign goods and services.

Mr. Clinton and Mr. Hosokawa addressed the sanctions issue Saturday after their White House breakfast that ended their unsuccessful two-day summit meeting.

"I don't think the failure of the agreement will lead immediately to sanctions," Mr. Hosokawa said.

But Mr. Clinton said, "We'll just have to examine what our next steps will be, and we'll be turning to that next week."

Officials said that a decision had not been made on which products to target.

One option is an announcement Tuesday that the administration plans to impose penalty duties on selected Japanese products, if off-

By T.R. Reid

Washington Post Service

TOKYO — Japan's political and business leadership uniformly supported Prime Minister Morihiro Hosokawa's stance in the U.S.-Japanese standoff Sunday, with a virtually unanimous agreement that Japan must not accept the numerical trade targets that President Bill Clinton has sought.

Despite the looming threat of trade sanctions or further American efforts to weaken the dollar — both of which would cut exports to the United States, Japan's biggest market — the strong consensus here was that Japan cannot yield.

"No matter what," said Gaishi Hiraiwa, head of the Kaidaren, the country's leading business group, "Japan cannot accept America's effort to bring about managed trade."

Japan will make moves to open its markets on its own after the failure of its talks with the United States, Prime Minister Hosokawa said Sunday, according to a Reuters report from

Any U.S. moves to retaliate would probably backfire, economists in Japan say, Page 9.

Tokyo. "Soon after returning home, we will consider the problem," he said aboard a government plane shortly before arriving back in Tokyo. "Our side must come up with some wisdom and Japan will do what it can on its own."

[Earlier Sunday, Japan's government spokesman, Masayoshi Takemura, said that Japan must make new market-opening proposals before the next Group of Seven summit meeting in July to defuse trade tensions with Washington.]

Viewed from Tokyo, the White House meeting Friday may have been counterproductive for the U.S. side. If anything, the session made it less likely that Japan will agree to the trade targets that Mr. Clinton wants. Having been declared a hero for saying no, Mr. Hosokawa will find it difficult to change his position.

Mr. Hosokawa has been one of the most

See FIGHT, Page 4

See JAPAN, Page 4

60 Die in Somalia as West Pulls Back and Chaos Returns

By Keith Richburg

Washington Post Service

NAIROBI — With just over six weeks remaining before the last American and European combat troops complete the West's withdrawal from Somalia, the country is beset by almost daily outbreaks of clan-fighting and violence that are forcing foreign relief workers to abandon some of their efforts.

In the past week, a half-dozen foreign aid agencies have been bombed in the capital, Mogadishu, and in the central Somali towns of Beledweyne and Baidoa. A Colombian aid worker was seriously injured in one attack.

[About 60 people were killed and more than 5,000 driven out of Somalia's southern port city of Kismayu in battles between rival clans, a clan spokesman told Reuters on Sunday. The Somali Salvation Alliance, a group of 12 factions allied with Mohammed Ali Mahdi, blamed the clashes on Mr. Mahdi's rival, General Mohammed Farrah Aidid, a Mogadishu clan leader.

[In Nairobi, where General Aidid has been for four weeks, his spokesman denied the charges and said General Aidid had condemned the violence in Kismayu.]

Few of the incidents appear related. But taken together, the attacks — particularly those against relief agencies — indicate a pattern of increasing violence and anarchy spreading across Somalia, often in areas that for more than a year had been considered relatively secure.

Many relief officials say they believe the

surge in violence is related to the pullback of U.S. troops from Mogadishu and the withdrawal of European United Nations forces that have helped keep the peace outside the capital.

Besides the Americans, the French, Italians, Germans, Turks, Norwegians and Greeks are quitting Somalia either later this month or by the end of March. Relief workers fear their departure will create a vacuum that looters and local warlords are eager to exploit.

About 5,000 UN troops from Pakistan are staying to help secure Mogadishu, and another 5,000 Indian UN troops, backed by forces from several African nations, have moved into some of the outlying areas. But these remaining UN contingents lack the equipment and capabilities of the U.S. and European troops.

The surge in violence raises questions about exactly what the costly 14-month Western military intervention in Somalia has achieved.

Instead of resolving the problems of warfare, clan violence and banditry that led to widespread famine and prompted the international community to send troops to relieve the starv-

ing, the intervention seems only to have placed Somalia's fighting on hold.

Now that the fragile peace appears to be breaking down, Somalis are returning to settle old scores, banditry has resumed, and the country apparently is reverting to the violence that existed in the months before the December 1992 U.S.-led intervention.

"It's a general breakdown," said Stephen Tomlin, regional director of the Los Angeles-based International Medical Corps. "Control is slipping away. Increasingly, the elders are losing control of the young men."

Many relief agencies say that with the United Nations no longer able to guarantee protection, they will either retreat from Somalia altogether or revert to their preintervention methods of relying on hired guns for protection.

"I don't want anything to do with UNOSOM protection," said Mr. Tomlin, using the acronym of the UN Operation in Somalia. "We just want to divorce ourselves from UNOSOM, political and military. But do we want to return to the standard operating procedures of 1991-92? This is the philosophical question."

In the most recent attack, early Sunday morning in Beledweyne, two hand grenades were hurled over a wall at the International Medical Corps compound, causing serious damage to the house and forcing the evacuation of the three remaining foreign relief workers.

Most foreigners had already been evacuated from Beledweyne, and relief operations suspended, after a grenade attack earlier last week against a German relief group. The German and Italian UN contingents are leaving Beledweyne, and no foreign force has arrived to replace them.

Most foreign aid workers have also been evacuated from Baidoa, the town held up by the UN secretary-general, Boutros Boutros Ghali, as a model of UN success.

The Associated Press reported: Somali gunmen kidnapped two Italian aid workers Sunday and an Egyptian UN peacekeeper was killed and another wounded in an attack on a military convoy. Sergio Passatore and Gianfranco Stefan were kidnapped at Jowhar, about 80 kilometers north of Mogadishu.

As more nursery schools invest in comput-

Totware: Never Too Young to Log On?

By Joshua Mills

New York Times Service

NEW YORK — David Caropresi, 3, sits on a raised steno-grapher's chair in his family's upstairs office, using the computer to play with dinosaur software, clicking the computer's mouse to make things happen.

He has used the program since he was 26 months old, and "by the time he was 24, he could name six or seven dinosaurs — before he could count to 10," said his mother, Christine, a corporate relocation specialist in Westford, Pennsylvania.

He still has some difficulty moving the mouse where he wants it, she said, but no

problems exploring the software at his own speed. And he is allowed to play in the office by himself.

Call it lapware or totware, computer software is embracing younger children more than ever, and vice versa. Designed expressly for 2- to 6-year-olds, the programs rely heavily on sound to provide direction and encouragement.

Is a generation emerging that will be computer literate before it is literate? Many people seem to think so.

"When they use these new programs, children are thinking, doing all the things we would like children to do," said Sue Bredekamp, director of professional development

at the National Association for the Education of Young Children, in Washington. "And for young children, computers are really a social activity. Children will interact in pairs, even in threes and fours. It's very different from the adult experience of computing."

Twenty-five percent to 30 percent of American families now have a computer at home. Just how many of the nation's 80,000 licensed preschool programs have computers is not certain, Ms. Bredekamp said, but it is a sizable fraction. "You can sense the trend, the excitement," she said.

As more nursery schools invest in comput-

See KIDS, Page 4

Kiosk

200 Burmese Lost as Ship Capsizes

BANGKOK (Reuters) — About 200 Burmese workers, many of them women and children, were feared dead Sunday after a boat taking them home capsized off Thailand, police and rescue workers said.

Crossword
Weather

Page 18.
Page 18.

PATRICIA WELLS



A culinary sonnet in Brussels, explosive fare on a plate in Amsterdam, elegance without arrogance in Luxembourg: Patricia Wells tours three more countries. Page 7.

| Newsstand Prices | |
|--------------------------|--------------------------|
| Andorra.....9.00 FF | Luxembourg 60 L.F. |
| Antilles.....11.20 FF | Morocco.....72 Dh |
| Armenia.....1.40 CFA | Russia.....1.20 CFA |
| Cameroon.....1.40 CFA | Reunion.....11.20 FF |
| Egypt.....E.P. 900 | Saudi Arabia.....9.00 R. |
| France.....9.00 FF | Senegal.....300 CFA |
| Gabon.....300 CFA | Spain.....300 PTAS |
| Greece.....300 Dr. | Turkey.....1.000 Liras |
| Ivory Coast.....1.20 CFA | Turkey.....1.000 Liras |
| Jordan.....1 JD | U.A.E.....8.50 Dirh. |
| Lebanon.....US\$ 1.50 | U.S. Mail (Eur.) \$1.70 |

THE BOSNIA THREAT / NATO'S SABER

This Western Step Is Timid, Not Bold True Balkan Settlement Lies On the Path of Diplomacy

By R.W. Apple Jr.
New York Times Service

WASHINGTON — To hear the Pentagon tell it, the threat of NATO air strikes in Bosnia, voiced after so much diplomatic huffing and puffing, is neither a carrot nor a stick but an aspirin.

It is designed neither "to affect the military outcome nor to propel the parties to settle," said Walter Slocombe, deputy undersecretary of defense, but to "reduce the level of violence while the peace process continues."

And to reduce the level of violence, other senior officers noted, only in a limited area around the besieged city of Sarajevo. Well, not exactly. The saber-rattling was also designed to break the psychological stalemate that has settled over what used to be Yugoslavia. It was meant to achieve a limited military end with limited military means. Yes, but if that is all it does, it will have to be counted a failure.

The real goal lies not on the scarred, wooded hillsides above Sarajevo but in the minds of the men and women whose passions keep this conflict alive.

NATO's new step is bold only by comparison with the timorousness of past reactions. So then is the decision really a historic departure, as

NEWS ANALYSIS

Secretary-General Manfred Wörner asserted, or is it only an opportunity for President Bill Clinton and the others to be seen, finally, to be taking a tough stance?

Without doubt, the allied warplanes and their pilots have the capacity to knock out some of the artillery pieces that ring Sarajevo; NATO planes enforcing the no-fly zone have had ample opportunity to plot targets.

There are perils, of course. Allied pilots might be shot down and captured, even tortured, with all the domestic political turmoil that can cause. The Serbs could move some of the guns close to schools or hospitals or other civil installations, to make them harder to hit or to ensure civilian casualties if they are hit.

There might be retaliation against the United Nations forces stationed in Bosnia; the fear of that is one reason the bombing threat was so hotly debated and long delayed.

But the greatest danger perhaps is more mundane than any of those. Nothing in the decisions made by the North Atlantic Treaty Organization in Brussels prevents Serbian offensives against other Bosnian towns, such as Tuzla and Srebrenica; in fact, NATO does not really propose to lift the siege of Sarajevo, just to take the big guns out of the military equation. Often in months past, the Serbs have known how to play the game. Challenged by outsiders, they play possum for a time, and when the attention of the West turns somewhere else, they take the offensive.

Whether the NATO initiative accomplishes anything will depend largely on the much less well-defined diplomatic track upon which the allies have also embarked.

The United States has agreed to take a leading role in the efforts to negotiate a settlement, which inevitably means, if Mr. Clinton is serious about it, an effort to mediate, cajole, persuade and ultimately press both the Bosnian government and its Serbian and Croatian rivals to agree on the terms of a partition of Bosnia.

Until now, the administration has been reluctant to bring any pressure to bear on the Muslims, viewing them as the aggrieved party, entitled to regain lost territory. Even now, State Department officials piously deny any intent to do so.

No one should take that seriously. The Serbs and the Croats will have to be pressed to give more — not necessarily the 3 percent or 4 percent more of Bosnia-Herzegovina than the 20 percent originally set aside for the Muslims, although some net addition will surely be required.

More important is the location of the territory allotted to the Muslims. It will have to be more compact, more militarily defensible, and it will surely have to include secure access to the sea.

Having offered the Serbs, in the initiative last week, the prospect of a step-by-step easing of economic sanctions in return for good behavior on the battlefield, the United States may have to contemplate the threat of even tougher sanctions to punish bad behavior.

But the Muslims will have to be leashed on as well, especially by the United States. At the moment, they have rejected partition outright, and they are fighting to regain all the lands where Muslims constituted a majority before the war. That represents a formula for continued strife and probably for eventual Muslim defeat, and if there is a peace settlement, they will have to be talked out of that goal, however righteous it may seem to be.

Unless the United States talks tough, very little will be achieved. Given the slightest ray of hope, says Sir Fitzroy Maclean, who fought with Yugoslav partisans during World War II, "these people will fight on forever."

Certainly, a few localized air strikes will not deter them; neither Nazis nor Communists ever fully brought the Balkans to heel, and the force they used in these parts was indescribably greater than what the allies are contemplating using.



A Ukrainian UN soldier watching as Muslims cleaned a mortar that was being turned over to peacekeepers at Tito Barracks in Sarajevo.

Q & A: 'Overdue Ultimatum' Bosnian Muslim Hails End of U.S. 'Noninvolvement'

With the Bosnian peace talks in Geneva in suspension, Prime Minister Haris Silajdzic of the mainly Muslim Bosnian government talked to Robert Kroon for the International Herald Tribune.

Q. Are the United States and Russia taking over the peace process because the mediators Lord Owen and Thorvald Stoltenberg seemed to be getting nowhere after all these months?

A. Washington and Moscow can still build on this long-protracted process. No need to tell you I am very happy with the active U.S. involvement. Russia, especially the Russian military, were backing the Serbs, while the United States stayed out of the game. In today's world, a leading superpower cannot be the leader of the noninvolved. So we are glad that the balance has been re-established. Bosnia concerns all of Europe and the entire world. You need global players to establish peace in the global village.

Q. Are the Russians on board now?

A. I would hope so. It would be logical for the Russians to contribute to this joint effort to bring peace to the Balkans. But Moscow has many internal problems. Writing off people like [Vladimir V.] Zhirinovskiy would be a big mistake. It's not the man; it's what he represents: the Russians' frustrations and their lack of perspective.

Q. The Bosnian Serbian leader Radovan Karadzic complains that he is now pressured by both the Americans and the Russians. Do you think the Serbs are facing up to that new reality?

A. I think so. The ultimatum was long overdue and it would make sense for the Serbs not to test the resolve of NATO. Perhaps the air strikes won't be needed after all. It is extraordinary to hear the Serbs, who killed 200,000 people, complain that they are the victims of pressures. These pressures serve him right.

Q. Mr. Karadzic says that Western military involvement would be the end of NATO and that in the ensuing chaos he could no longer guarantee the safety of the international aid workers.

A. Ridiculous. Those are his usual threats. He

has been "protecting" the aid convoys so diligently that many of them never get to their destinations in the first place.

Q. The Serbs say they will hand over their heavy weapons, provided the Muslims consign their troops to barracks in Sarajevo, so Serbian fighters won't be outnumbered.

A. That's not part of the deal. There are far more Serbs than Muslims and we will not consign our troops to barracks until we have an overall peace agreement.

Q. You say the active political involvement of the United States has re-established the balance. Does that mean you will no longer settle for one-third of the Bosnian territory?

A. We will still accept the 33 percent. We need viable regions in East and West Bosnia for the refugees to come home to. European countries like Germany and Austria cannot be expected to cope with tens of thousands of refugees forever.

Q. With the Bosnian Croatian leader Mate Boban sidelined, you now seem more optimistic about making a deal with the Croats.

A. That would be an obvious solution and we are talking about it with the Croats right now. The new head of the Croatian delegation, Mile Akmedovic, is more moderate and cooperative than Boban. But he still insists that Mostar should be the capital of the Croatian part of Bosnia. If Akmedovic is serious about cooperation he should not claim a city with a Muslim majority that the Croats have destroyed in a most barbaric way. We want Mostar to be open for everybody, so the people can go back there.

Q. In sum, what is the outlook?

A. In final analysis, everything still depends on [Franjo] Tudjman in Zagreb and [Slobodan] Milosevic in Belgrade. The United States, Germany and Turkey are now putting combined pressure on Zagreb to play ball. I hope the Russians will do the same thing with Milosevic in Belgrade. If Washington and Moscow show courage and determination, we may have a solution to the Bosnian conflict in a few months.

Peace Talks On Hold as U.S. Tries Mediation

By David B. Ottaway

Washington Post Service

GENEVA — The three warring factions in Bosnia-Herzegovina have suspended their peace talks until early March to see what the United States holds for the process.

The special U.S. envoy to the talks, Charles Redman, has begun discussions here with Haris Silajdzic, the prime minister of the Muslim-led Bosnian government, to try to determine the government's "bottom line" for an acceptable peace settlement.

The United States then plans to communicate the Bosnian government's requirements to Bosnian Serbs and Croats. But this process seems likely to take some days.

Meanwhile, the UN mediator, Thorvald Stoltenberg, said that all three sides had recommitted themselves to a peace settlement based on a "union" of the three ethnically based republics that would be created by partitioning Bosnia.

"We spent quite a lot of time to find a common basis for these talks again," he said. "Now we work on the basis of a union of three republics."

This principle had been agreed to in August, but fell into limbo as momentum gathered for the three republics to become fully independent immediately.

Mr. Stoltenberg also said he expected the talks to proceed on the basis of a European Union "action plan" unveiled in November. It specified that an agreement should be based on a "union of three republics" with the Bosnian capital, Sarajevo, placed under UN administration, and Mostar, a southern city now divided between Croatian and Muslim forces, under the authority of the European Union for two years.

The plan also would assure the Bosnian government 33.3 percent of territory in Bosnia-Herzegovina for a Muslim-majority republic.

The Sarajevo government has attached particular importance to establishing a union, even if largely powerless at first, in hopes of preserving Bosnia-Herzegovina as a pre-war entity.

Shortly after Mr. Stoltenberg announced that the union was back on the table, however, the Bosnian Serbian delegation issued a new negotiating platform declaring that it still regarded its self-proclaimed Serbian republic as a "sovereign, independent state" with the right to join neighboring Serbia.

The Serbs also said that since the Bosnian government had "rejected" the EU plan for solving the crisis, it was withdrawing its offer of 33.3 percent for the Muslims. The 72 percent of Bosnia now under the Serbs' control, it said, would constitute their republic.

A side view to the Union's mediator, David Owen, dismissed the Serbian platform as rhetoric.

Moscow Would Back Air Strikes as 'Last Resort'

By Steven Erlanger
New York Times Service

MOSCOW — Russia is moving closer to the modified Western position toward the Serbian nationalists in Bosnia-Herzegovina, sanctioning the possibility of NATO air strikes around Sarajevo as a last resort but stressing the primacy of a political settlement.

Foreign Minister Andrei V. Kozirev said that in specific emergencies, United Nations forces in Bosnia could ask for NATO air strikes in particular places in and around Sarajevo, which is ringed by Serbian heavy artillery.

But he stressed that in authorizing air strikes, the UN

secretary-general, Boutros Boutros Ghali, would have to consult with the Security Council, where Russia could use its veto.

If UN forces "call for air strikes, and the secretary-general takes the decision in consultation with the Security Council, that is something we think is conceivable and possible, although not welcome," Mr. Kozirev said Saturday.

"This is the last resort," he said. "But this option exists."

As stated, Mr. Kozirev's conditions would be hard to satisfy, requiring a specific request for air strikes in a particular place to be relayed to Mr. Boutros Ghali for his approval, after consultations, and then be passed on to

NATO commanders who would authorize and plan any mission.

But Mr. Kozirev's statements did reflect a major shift from his comments last week when he had ruled out any air strikes at all.

But he went so far Saturday as to suggest that attacks on Sarajevo civilians could be considered an attack on UN forces, whose protection is already sanctioned. Russia had previously insisted that air strikes could only be used if UN forces were directly threatened.

Just imagine a UN soldier was at that marketplace in Sarajevo and was shot," he said. "Then it would be an attack on UN forces. It is a matter of interpretation."

U.S. Evacuates Embassy Families

Reuters

BELGRADE — The families of U.S. Embassy employees left Belgrade for Hungary on Sunday as a precaution against reprisals if NATO attacks Bosnian Serbs besieging Sarajevo. An embassy convoy headed for Budapest after the State Department warned U.S. citizens not to travel to the area.

The embassy also was offering assistance to the 2,000 Americans in the remaining Yugoslav republics of Serbia and Montenegro who wish to leave.

BOSNIA: Serb Commander Demands Pullback of Muslims in Sarajevo

Continued from Page 1

2 tanks, 50 artillery pieces, including mortars and 45,000 soldiers, lightly armed. UN officials have

declined to give their troop estimates.

Privately, UN officers described the Serb demands as "rubbish." It was not part of the terms specified by General Rose when he announced the agreement.

But publicly, UN officers at a briefing Sunday night repeatedly stressed the concept of "control," which seemed flexible enough to include anything they could watch — and presumably take out with air strikes or other military means.

■ **NATO Determination**

French and U.S. officials on Sunday underscored NATO's de-

termination to go forward with air strikes if the Feb. 21 deadline is not met. Alain Juppé, the French foreign minister, said in an interview with U.S. television that both NATO and UN credibility were at stake.

"We must implement this decision," he stressed, referring to the NATO deadline. "If the ultimatum is not complied with, we will have to use air strikes, and France is completely determined to do so."

Madeline K. Albright, the U.S. delegate to the UN, said air strikes "absolutely" would go forward if the NATO demand was not met.

French and U.S. officials on Sunday underscored NATO's de-

termination to go forward with air strikes if the Feb. 21 deadline is not met. Alain Juppé, the French foreign minister, said in an interview with U.S. television that both NATO and UN credibility were at stake.

"We must implement this decision," he stressed, referring to the NATO deadline. "If the ultimatum is not complied with, we will have to use air strikes, and France is completely determined to do so."

Madeline K. Albright, the U.S. delegate to the UN, said air strikes "absolutely" would go forward if the NATO demand was not met.

French and U.S. officials on Sunday underscored NATO's de-

termination to go forward with air strikes if the Feb. 21 deadline is not met. Alain Juppé, the French foreign minister, said in an interview with U.S. television that both NATO and UN credibility were at stake.

"We must implement this decision," he stressed, referring to the NATO deadline. "If the ultimatum is not complied with, we will have to use air strikes, and France is completely determined to do so."

Madeline K. Albright, the U.S. delegate to the UN, said air strikes "absolutely" would go forward if the NATO demand was not met.

UNIVERSITY DEGREE
BACHELORS - MASTERS - DOCTORATE
For Work, Life and Academic
Excellence - No Entrance
Examinations Required
(310) 471-0306
FAX: (310) 471-6456
Call or write for information
or send detailed resume for Free Evaluation
Pacific Western University
509 N. Sepulveda Blvd. Dept. 23
Los Angeles, CA 90049

OVERHEARD

It's FOR YOU

Michael answers the call of the wild.

With MCI CALL USA and MCI WORLD REACH services, reaching around the world has never been easier.

To reach around the world, use your MCI Card or call collect. Just select the number next to the country you're calling from. An English-speaking operator will put your call through to anywhere in the 50 States as well as a growing list of participating World Reach countries.

| | | | | | | | |
|--------------------|--------------|---------|---------------|--------------|------------------|----------------|--------------|
| Austria | 022-903-012 | Ecuador | 170 | Italy | 172-022 | Saudi Arabia | 1-800-11 |
| Belgium | 078-11-00-02 | France | 555-5770 | Netherlands | 08001 | Slovak Rep | 00-42-00002 |
| Bolivia | 0-800-2222 | Germany | 9800-103-80 | Norway | 800-MQ (800-624) | Sweden | 900-99-004 |
| Brazil | 080-882 | Greece | 030-0002 | Poland | 425-035 | Switzerland | 155-0222 |
| Canada | 001-035 | Hungary | 00-800-121 | Portugal | 95-800-674-7000 | Turkey | 99-800-117 |
| Colombia | 980-16-0001 | India | 00-800-0241 | Romania | 050-1932 | UAE | 900-11 |
| Czech Rep | 080-90000 | Ireland | 000-127 | Soviet Union | 001-190 | United Kingdom | 0800-99-0222 |
| Denmark | 170-42-00002 | Israel | 1-800-351-001 | Spain | 001-04-800-722 | Uruguay | 000-42 |
| Dominican Republic | 800-0022 | Japan | 177-50-277 | Thailand | 05-011-254 | Venezuela | 800-114-0 |

*Country-to-country calling may not be available to 3 from all MCI CALL USA locations. Certain restrictions apply. *Not for second dial tone. *Available from most major cities. *When dialing outside of U.S., dial 01 first. *When dialing outside of U.S., the access number is 190. *Limited availability. *Collect calls to U.S. only. *In some countries, public phones may require deposit of coin or phone card for dial tone. *Advice from public telephones may be limited. *Rate depends on call origin & direction. *Service available on a limited basis. *MCI International, Inc., 1995. *MCI is a registered trademark of MCI Telecommunications Corporation. *MCI and World Reach are trademarks of MCI Telecommunications Corporation.

MCI

THE AMERICAS / MORE CUTE

★POLITICAL NOTES★

For Washington Diplomats, the Party's Over

WASHINGTON — Before the global marketplace, before the recession, before the decline of greed and the rise of austerity, there was the diplomatic party. Dozens of them. Every night.

Any enterprising young person with a decent suit or a little black dress could ditch budget meals at home to graze on hors d'oeuvres at some embassy function here. No longer.

As governments around the world tighten their belts, the squeeze has been felt in many of the 164 embassies in Washington. Even these social functions that continue to exist are increasingly an extension of work or a showcase for a country's cultural exports. The result: less lavish parties and tighter, more focused functions, including breakfasts and lunches.

"In the past, we would have big receptions," said Lionel Majesté-Larrouy, press counselor official of the French Embassy. "Now we tend to have a working-session lunch or a dinner around a good table. We still use the crystal and champagne, but it is more targeted."

Gone is the ambassadorial splendor of social functions like those given by Ardeshir Zahedi, the Iranian ambassador in pre-ayatollah days. Mr. Zahedi's parties featured live bands, fresh orchids, 24-karat game prizes, caviar and champagne with guests like Henry Kissinger, Andy Warhol and Elizabeth Taylor schmoozing in the embassy's blue-tiled Persian Room.

One, too, are the yearlong series of parties and receptions that built up to the visit of President Ferdinand E. Marcos of the Philippines and his wife, Imelda, in 1982. That kind of opulent overkill is frowned on today.

"We can certainly say that things are not as lavish or extravagant as they were during the Marcos days," said José Ebo, a press officer at the Philippine Embassy. "Our social entertaining is focused on business and investment initiatives."

Didi Cutler, who worked for the New York City Commission for the United Nations and the UN Consular Corps, said, "Today, it's a question of what is appropriate."

Appropriate does not necessarily mean fewer guests: In 1993, the British ambassador entertained 11,500 people at various functions, from small breakfasts to huge receptions.

Still, ambassadorial functions now are much more likely to be about drumming up business for the home countries than about celebrating the arrival of a political figure or an eligible movie star.

Few diplomats can complain these days, as did Bernard Vernier-Palizer, the French ambassador to the United States in early 1980s, that they have to attend "futile parties." Tradecraft is now as much in demand as statesmanship. (NYT)

Law Experts Swoop on Balanced-Budget Bill

WASHINGTON — Constitutional law experts across the political spectrum have signed a letter opposing the proposed balanced-budget amendment, which is to be debated by the Senate later this month.

The letter was signed by 17 scholars, who range from liberals such as Laurence H. Tribe of Harvard Law School and Burke Marshall of Yale to conservatives such as Robert H. Bork, a former Supreme Court nominee, and former Solicitor-General Charles Fried.

The scholars told Senator Robert C. Byrd, a West Virginia Democrat, that although they "disagree about the nature, causes and cures of our present budgetary situation," they "share the conviction that the balanced-budget amendment now before the Congress is a serious mistake." Mr. Byrd is a staunch opponent of the amendment and plans hearings on it this week.

The lawyers told Mr. Byrd that among their reasons for opposing the amendment are that it "would deprive the Congress and the president of needed flexibility," "would inappropriately involve the judiciary in intractable questions of fiscal and budgetary policy" and "would be unenforceable and thus use the Constitution as a billboard for failed slogans."

They also said the amendment "would rigidly and permanently bias decisions against spending of social programs."

The White House is opposing the balanced-budget bill but is fearful that, in the face of public demands for fiscal austerity and deficit reduction, it may win Senate approval. It is hoping to use the letter as part of its campaign to argue against the proposal. (WFP)

Quote/Unquote

President Bill Clinton as he signed an \$8.6 billion earthquake relief package for Los Angeles on the 185th anniversary of Abraham Lincoln's birth: "When we respond to others in need, we show that bad weather or earthquakes or floods can bring out, in the words of President Abraham Lincoln, the better angels of our nature." (AP)



HOT SPRINGS HUG — President Bill Clinton embracing his late mother's husband, Richard Kelley, at the Hot Springs, Arkansas, airport. Mr. Clinton made a weekend trip there for the reading of his mother's will. Virginia Kelley died on Jan. 6.

Away From Politics

• The navy moved to close the books on the Tailhook sexual harassment scandal, deciding not to appeal the dismissal of the last three cases arising from the incident. That means no one will be tried for harassing women at a rowdy aviators convention in 1991, despite the navy's acknowledgment that lewd behavior took place.

• A former police chief killed the official who forced him to resign, then killed himself. Carl Baird shot the official, Selectman Roger Sansaw of Walpole, Massachusetts, several times in the chest at Town Hall. He then drove outside the town and killed himself with a single gunshot to the head.

• Two dogs escaped from their backyard pen and attacked a 6-year-old boy, then turned on police officers who shot and killed the animals, a 100-pound (45-kilogram) Rottweiler and an 80-pound husky mix. The youth was in critical condition following the attack, in Alliquippa, Pennsylvania.

Time magazine has named Margaret Carlson as a columnist, the first woman in that position in the magazine's 70-year history. She has reported on the White House and served as Time's deputy Washington bureau chief. She will make her debut as a columnist in the Feb. 21 issue under the heading "Public Eye." (NYT; AP; Reuters)

U.S. Weighs Taxing Of Welfare Benefits

Money Would Go To Expand Programs for Job Training

By Jason DeParle

New York Times Service

WASHINGTON — The administration is considering a plan to finance President Bill Clinton's welfare proposal by taxing food stamps, welfare benefits and housing assistance and by cutting aid to legal immigrants who are elderly and indigent.

While no decisions have been made, those are among the options being considered by senior officials at the White House, Treasury Department and Department of Health and Human Services, confidential documents and interviews show. The money from the cuts would be used to expand work and job training programs.

Critics liken the size of the cuts being considered to those pushed through in the Reagan administration. The options illustrate the difficulty of simultaneously pursuing ambitious welfare and health care proposals while seeking to reduce the deficit.

One risk is that cuts will hurt the people the welfare plan seeks to help: the poor and near-poor. That was the fear of the administration official who disclosed the options, calling them "unconscionable."

A second risk is that the potential reductions, already being denounced on Capitol Hill, could alienate some Democrats whose help Mr. Clinton needs to pass his health bill.

Melissa Skolfield, an administration spokeswoman, declined to discuss any specific options, calling the discussions "very preliminary." But she argued that the pain of any cuts would be more than offset by the benefits of the welfare program, which is intended to help poor women, which are its main recipients, find jobs.

"The plan is going to provide new investments in child care, education and training for poor women who were simply written off by previous administrations," she said.

The cuts being considered are in addition to the \$30 billion in proposed reductions included in the 1993 budget, released last week. One administration official said the search for money had become

"brutally hard" since "painful cuts have already been made."

The difficult choices are being shaped both by law and politics. The 1990 budget law requires the government to pay for any new spending increases with offsetting taxes or program reductions.

And since welfare, mainly the Aid to Families with Dependent Children program, is considered an "entitlement program," the cuts have to come from similar programs whose benefits go automatically to those meeting the criteria.

The largest entitlement program is Social Security, but officials consider it too politically risky to cut. The growth of the next two largest, Medicare and Medicaid, is being restrained to finance changes in the health care system.

That means that most of the remaining targets are entitlement programs for the poor, primarily welfare, food stamps and disability programs.

"Everything that's left is virtually a mortal wound," the official said.

One of Mr. Clinton's principal promises in the 1992 presidential campaign was to "end welfare as we know it," and he has vowed to send Congress a bill this spring.

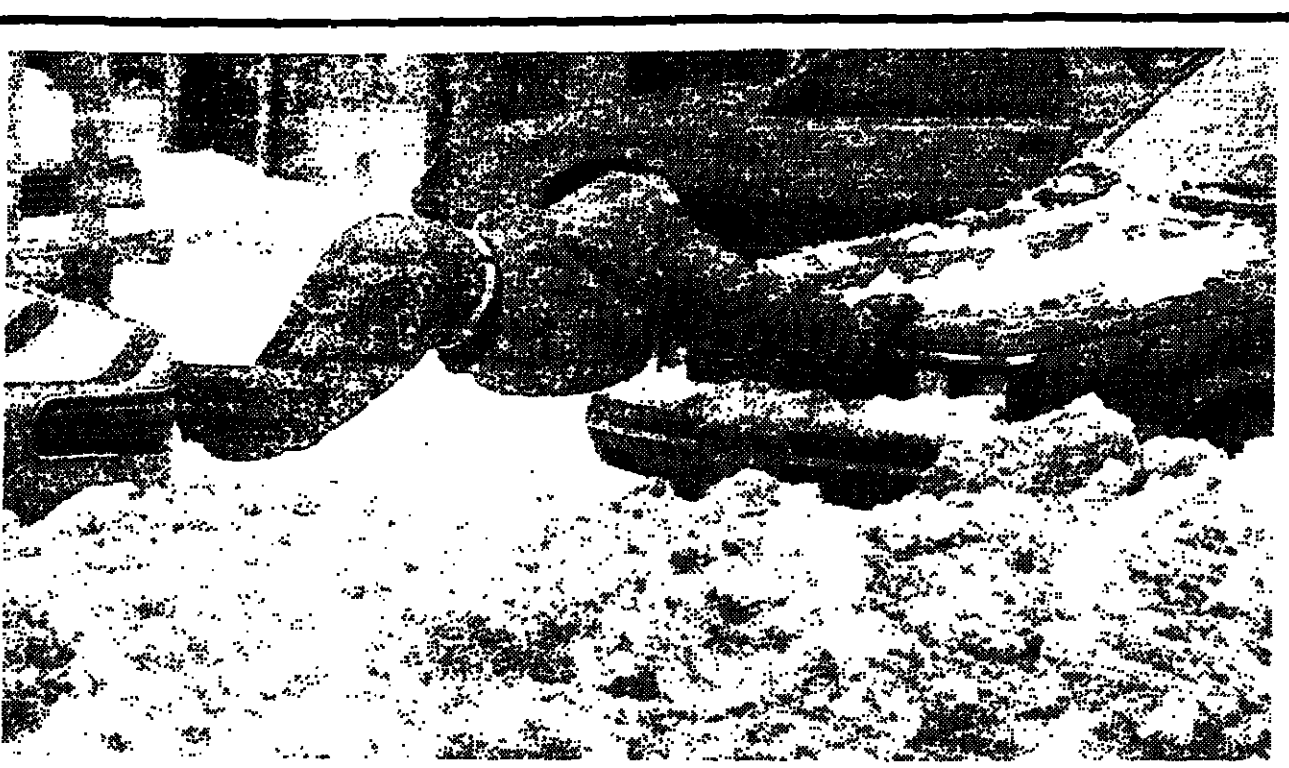
Mr. Clinton has pledged to expand training programs for people on welfare, but then require those still unemployed after two years to join a work program.

There are now a record 5 million families receiving Aid to Families with Dependent Children, the main federal welfare program.

The number of people who would hit the two-year limit is a matter of sharp dispute, with the administration's own estimates ranging from 500,000 to more than 2.3 million.

The hunt for money is crucial. If the administration fails to find the revenue, it could be forced to scale back. Administration officials have said in the past that the welfare plan would cost about \$7 billion a year when fully put into effect.

The options under consideration have multiplied in recent weeks, as officials prepare to send Mr. Clinton a list by March.



WINTER WONDERLAND — A Philadelphia man pushing hard to get his car out of the snow after weekend storms.

Northeast Revives After Latest Storm

Reuters

NEW YORK — Northeastern transportation hubs returned to near normal Sunday, and winter-weary travelers began reaching their destinations after days of struggle caused by the worst snowstorm in more than a decade.

Freezing drizzle and light snow were reported in a wide area from Baltimore to Boston on Sunday, but there was no hint of any repeat of Friday's knockout punch, which paralyzed the region with a foot (30 centimeters) to 18 inches of snow.

Two lines in New York City's subway system were still unable to operate, but the police reported an unusually quiet Saturday night as piles of snow began turning to puddles of slush.

Both Kennedy and Newark airports reopened after being closed most of Friday, and by midnight the terminals were cleared of passengers, some of whom waited days to leave.

The Long Island Rail Road, devastated by the Friday storm, said it was spending the weekend trying to get ready for the daily onslaught of 150,000 passengers Monday.

New Yorkers ventured out Saturday and filled supermarket aisles, stocking up on supplies. Video stores reported unprecedented rental business.

Children and their sled-carrying parents thronged Central Park, and cross-country skiers took advantage of the snow-clogged side streets and parks to get in some exercise.

The Hudson River resembled an Arctic ice floe, and parked cars remained buried under snow.

Accumulations were the highest since a 1983 blizzard socked the city with 18 inches. The latest storm left a foot of snow in New York City.

The storm was the 12th in an unusually harsh winter. Snowfall totals in the Northeast are the highest since 1978, according to Weather Services Corp. of Boston.

In the South, ice left thousands of people without power. It covered northern Mississippi, causing pine trees to snap and fall across slippery roadways. Power outages were reported around Tupelo, and some areas were without water because of burst pipes.

Snow Strands Thousands of Travelers in Japan

Compiled by Our Staff From Dispatches

TOKYO — The worst snowstorm to hit Tokyo and its surrounding areas in 25 years left road, rail and air traffic paralyzed on Sunday.

High-speed bullet train services were disrupted, airports were crisscrossed with passengers who were unable to take flights on Saturday and most major highways leading to the capital were closed.

The storm, which dumped 23 centimeters (9 inches) of snow Saturday in Tokyo, was the worst since March 1969. Unused to the slippery surfaces, 171 people fell and required

hospital treatment, the National Police Agency said.

A total of 277 arrivals and departures at Tokyo International Airport in Narita were delayed or canceled Saturday, an airport spokesman said.

Of the 9,000 people stranded, about 3,000 had to bed down for the night in 18 planes delayed at Narita, 65 kilometers (40 miles) northeast of Tokyo.

The weather cleared Sunday, allowing most passengers to go on to their destinations. But on Sunday night, 380 people were stranded at Chitose Airport in northern Japan on a British Airways flight that was diverted from Nagoya.

An airport official said the passengers had to wait more than 30 hours for replacement crew members because of regulations limiting the number of consecutive hours that pilots could fly.

The freak weather, however, did not stop the Tokyo International Marathon. With help from Construction Ministry snowplows, authorities managed to clear streets where the race was being staged.

(Reuters, AP)

Hanoi Won't Brook 'Rights' Interference

By William Branigan

Washington Post Service

HANOI — As Vietnam moves toward diplomatic relations with the United States, it faces increased scrutiny on human rights issues. So far, it is showing no sign of a softer line against dissent.

While dealings with the United States have focused mainly on the issue of missing American servicemen, Hanoi also has agreed to begin discussions on rights. However, officials said, Vietnam will not accept any "preconditions" in the normalization process or any "interference" in internal affairs.

A U.S. assistant secretary of state, Winston Lord, told a Senate subcommittee last week: "The intensity and warmth of our relationship will depend in large measure on Vietnam's human rights performance."

The New York-based Human Rights Watch, in its 1994 summary, cited a "mixed" performance in Vietnam. Hanoi released some dissidents or reduced prison sen-

tences, it said, while jailing others for the peaceful expression of their views. It often made no distinction between opponents who advocated violence and peaceful critics.

A Foreign Ministry spokeswoman charged that a State Department report of Feb. 1 sharply criticizing Vietnam for rights violation was "not objective," but she did not dispute specifics. "Even though there remain untold difficulties, the Vietnamese government has made great efforts," she said, in enabling citizens "to exercise their economic, social and cultural rights as well as civil and political rights."

In a news conference hours after President Bill Clinton lifted the trade embargo on Vietnam on Feb. 3, Deputy Foreign Minister Le Mai conceded that human rights issues may pose "obstacles" in U.S. talks.

"Both sides have the right to mention any problems or issues, including the human rights issue," he said. "We agreed that Vietnam and the United States can have a dialogue relating to human rights."

Tran Cong Man, a retired general and unofficial government spokesman, said that "there must be no pressures" on rights. "It's just a consultation," he added. "Vietnam is now in a state of stability" that "we must not jeopardize."

While Marxist rhetoric has generally abated as Vietnam pursues economic change, the ruling Communist Party and the army periodically denounce "peaceful evolution," a term used here and in China to describe what they see as Western attempts to destroy communism through multiparty systems.

"Hostile forces are attempting to wipe out socialism," General Doan Khue, the defense minister, warned recently. "Inside the country there are destabilizing elements which we must not underestimate."

He appeared to be referring to overseas Vietnamese, thousands of whom have returned to visit or invest in Vietnam after having fled following the Communist takeover of the U.S.-backed South Vietnam

AMERICAN TOPICS

Curbing Windfalls on Cases In Which Lawyers Do Little

Windfalls from lawyers' contingency fees — amounts contingent on their winning a favorable verdict or, more frequently, a settlement — have long been tolerated as the price of assuring access to the courts of those who cannot afford lawyers' hourly fees. But perhaps not much longer, The New York Times reports.

The outcome of one such case was a foregone conclusion. Plaintiffs' lawyers had no need to take much time with it and ended up, by one law professor's calculation, making at least \$25,000 for each hour they spent on the case.

Now legal experts have devised a system that links fees to the degree of risk actually borne by lawyers. The Manhattan Institute Group, a conservative policy research organization, is asking both the American Bar Association and state supreme courts to declare it unethical for lawyers to charge contingency fees on settlements that are virtually certain from the start.

The system would work this way: Defendants in civil suits would be given, say, 60 days to make settlement offers. If no offer was made, the plaintiffs' lawyers would be free to negotiate fees.

But if an offer was made and accepted, the plaintiffs' lawyers would receive only a reasonable hourly rate or a very modest share of the gross — say, 10 percent. And if an early settlement offer was made and refused, the offer would become the reference point for contingency fees.

annuated and highly paid dead wood. Mandatory retirement became illegal for most jobs in 1986, but universities successfully lobbied Congress for a seven-year exemption. Now that time has run out, "I probably will work as long as I am competent to work," said Leslie Hicks, 66, a psychologist at Howard University. The Washington Post says that some administrators see the end of mandatory retirement as yet another financial pressure for schools that already are cutting positions and dropping programs.

The typical film noir concerns a couple with bad judgment or bad character or both who are on the steep and slippery slope to the gallows. The 1944 film "Double Indemnity" is quintessential. How do you tell it's a film noir? The New York Times gives several tips: A neon sign blinks on and off, perhaps with one letter missing. The hero spills his guts in voice-over narration. People smoke a lot. There's a hard-bitten woman named Velma. Streets are wet and glistening, even when there's no trace of rain. A muted trumpet moans plaintively in the night. The movie seems to be black and white, even if it's in color.

Los Angeles is intertwined with the automobile and always will be, says Fred M.H. Gregory, a contributing editor to Car and Driver magazine. "This has nothing to do with our alleged love affair with the car," he writes. "People don't fall for hardware. . . . If anything, we take the car for granted." Mass transit? "Who needs it when we already have a mass-transit system that requires no waiting on platforms, is private and relatively safe and runs according to our own schedules — it's called the car."

Panhandler's sign spotted by a New York Times reader and reported in its Metropolitan Diary column: AT MY AGE I SHOULD BE ENJOYING LIFE. PLEASE HELP.

Mandatory retirement ended at U.S. universities on Jan. 1, and many administrators worry that their faculties will become overloaded with super-

Arthur Higbee

We fly to the Far East more often than any other airline.



Singapore Airlines offers you 42 flights from 14 European cities to Singapore every week. All connect to over 300 flights to the Far East, Australia and New Zealand, and of course, all have inflight service even other airlines talk about. SINGAPORE AIRLINES

TO OUR READERS IN GREECE

It's never been easier to subscribe and save. Just call today (1) 99-19-328 in Athens.

KIDS: In the U.S., a Surge in Computer Software That Targets Toddlers

Continued from Page 1

ers, some childhood educators say they see a variety of benefits to getting an early start on high technology.

"Computer literacy is not something that happens suddenly when you're 12," said Barbara T. Bowman, vice president for programs at the Erikson Institute for Advanced Study in Child Development, a research center in Chicago. "It's a long process."

Yet it is not all blue skies in the world of preschool computing. Some educators say they simply do not understand the rush.

"Computers are an extra, they're fun, but the school's time and money can be better spent on other things," said Linda Jo Platt, director of the Community Nursery School in Dobbs Ferry, New York. "Children learn by touching and feeling and holding. I'd rather hand them a puzzle."

Whatever concerns may exist, computing among the very young is clearly surging, pushed along by changes in hardware and software. More than a third of computers sold to homes in recent months contained a compact-disk player and speakers that provide sophisticated

sound. This encourages software companies to develop programs that rely on sound, rather than words on a screen, to engage young users. And because compact disks have a far greater storage capacity than floppy diskettes or even hard drives, designers can load up their software with pictures and animation, as well as sound, all of which contains more data than text.

"The hardware enabling is the key," said Harry Wilker, vice president of publishing at Broderbund Software Inc., based in Novato, California, one of the biggest producers of children's software.

Many educators say the software companies are making the most of the new opportunities. "The software people have been marvelous at listening to the early-childhood people and are changing and providing open-ended stuff that allows kids—little kids—to explore and find things out on their own," said Pat Gardner, a professor of early childhood education at Santa Monica College in California.

Many earlier children's programs, she said, were nothing more than electronic drill-and-practice workbooks that relied mainly on right

and wrong answers. The newest generation of software focuses on encouraging exploration and rewarding curiosity rather than penalizing wrong answers.

Along the road to creating successful programs, children provide a central role. Many software companies rely extensively on research with children of various ages, conducted at local schools and in testing laboratories, as well as on interviews with parents and teachers.

And one thing they have clearly learned is how to describe their programs in appropriate educational language.

Mr. Turner, formerly of Knowledge Adventure, said his goal was for "a computer to be an incredibly patient, learned teacher."

The company's Kid's Zoo, designed for 3- to 6-year-olds, provides information about where different animals live and also offers matching games. In one, a child tries to choose which of four animals made a particular sound.

In another, the child must choose which of eight animals matches a particular characteristic displayed on the screen.



ROYAL VISIT TO IWO JIMA — Emperor Akihito and Empress Michiko laying wreaths at the Chinkonkan cenotaph on Iwo Jima, a monument to Japanese and Americans killed in the World War II battle for the island. Their visit marked the 25th anniversary of its return to Japanese sovereignty.

JAPAN: Leader Backed

Continued from Page 1

popular prime ministers in Japanese history, although his ratings dropped somewhat a week ago after he proposed, and then dropped, a steep increase in the national sales tax.

His trip to Washington will probably restore some of his luster, analysts here said.

"I think his approval rating will go right back up now," said a political consultant, Yoshio Matsuzoe. "He stood firm against Clinton, and he'll get a lot of credit for it."

The problem for the world's two richest countries, which have a firm military alliance and extensive industrial and financial interconnections, is that their leaders can score domestic political points by standing up to each other.

Mr. Clinton was following a long-established political path when he stood head-to-head with Mr. Hosokawa and demanded a solution to cut Japan's \$60 billion trade surplus with the United States. At the moment, there seems to be less immediate political gain for either man in finding a way to compromise on the various trade disputes.

Among those backing Mr. Hosokawa on Sunday was Yoshi Kono, leader of the chief opposition party, the Liberal Democrats. "As a matter of principle," he said, "we have to reject managed trade. For Hosokawa to reject the American proposal was simply common sense."

But Mr. Kono criticized Mr. Hosokawa for failing to find some compromise that would have led to a more positive result.

For decades, Japan has maintained what it often called a "little brother" relationship with the United States. U.S. pressure has been brought to bear in various ways, and generally it has been effective.

But now, the Japanese seem comfortable with the idea that the two economic superpowers should deal with each other as equals. Mr. Hosokawa made the point twice Friday in his White House news conference with Mr. Clinton, saying the U.S.-Japanese relationship is now "a mature relationship, a relationship between adults."

This struck a responsive chord at home, said Minoru Morita, a political analyst. "For years, we used to talk about a 'Japan that could say no' to the U.S. Well, now we have a Japan that has decided to try it."

For Mr. Hosokawa to say no to Mr. Clinton's demand for specific import targets can only strengthen the prime minister, Mr. Morita said. Thus, he added the result of this meeting is to "strengthen Japan's resolve" not to give in.

FIGHT: U.S. Set to Retaliate With Import Sanctions

Continued from Page 1

Officials conclude that Japan has violated a 1989 agreement to open the cellular telephone market in Japan's main urban corridor to Motorola Inc. officials said.

At the same time, the administration is seeking to persuade Mr. Hosokawa and his government that the trade actions should not cause a rupture of the entire relationship.

The breakfast was part of an effort to ensure that U.S. relations

with Japan — and Mr. Clinton's relationship with Mr. Hosokawa — remain strong overall. "The human part of this matters," a U.S. official said.

The administration hopes that it is headed toward a more "mature" relationship with Japan, so the two sides could quarrel over trade without critically wounding their cooperation on foreign policy issues.

"We've had trade wars with Europe, but that never affected

NATO fundamentally," another U.S. official said.

Mr. Hosokawa lent support to those hopes, saying the two nations were moving "into a new era. Until now, we refrained from speaking candidly and saying what was difficult to say."

But a senior Japanese diplomat said the distrust of Japan evident in Washington's approach would make a good relationship difficult to achieve.

Valentine's Day Messages

I UNDERSTAND, BELIEVE ME I DO
What I want is to be with you.

It was true that I was in love.
Why not tell you that I was?

Even a dark part of my heart
Wouldn't win by being apart.

Could be to put through that heart
From someone wanting to be with you.

Above all else know that it's true.
Somehow I've come to love you.

A friendship in love, I'm sure, I'm sure.
A distance between us, I'm sure.

On the beach, hand in hand,
Gentle warmth, as if the wind.

Remember our calm, mountain calm,
Or just after the rain, I'll be there.

It's funny, you know, the things that I
I miss, beyond, of course, the obvious.

The voice, the smile, the hair,
The way you look at me, the way you care.

Remember, though, to yourself be true.
That's the only way to love me.

At Every Sweetie, In Time

There was a young man from Cairo
An Architect by trade,
To Africa he went, and built more than
The pyramids there he made.

A lady from Alexandria
Did not know what he was like,
She married a girl
And they formed a nice family.

We love a man from Turkey
His smart and handsome and kind,
He's always on my mind

I love my little Muslim
He's smart and handsome and kind,
He's always on my mind

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

THU BAD TIMES AND WORSE
I remain in love if I really care.
Like rain or a storm, I will wait and
make you happy of love. Do not
be a BOY on a DIK!

WHERE LOVE HAS MET: Coming from
the opposite world, I have met you
crossed each other in Hong Kong.
Thinking God graciously, and our
sacred friends, love you too. I love you.

MINNAMO: An appropriate place to
share. You make my heart so simple
and so sweet. I love you, I love you.

THIS IS A VALENTINE I send to you
my darling, my love, my heart.
I love you, I love you, I love you.

There was once in Constantinople
a man with a profile so noble, that
I tell for him of once, and since then
with constant love, I have loved him
as much as a mortal, Diane.

ANDREW: Two years down a cobble
lane. Two kids and much love of the
town. I love you, I love you, I love you.

THE VOICE, the smile, the hair,
The way you look at me, the way you care.

Remember, though, to yourself be true.
That's the only way to love me.

At Every Sweetie, In Time

There was a young man from Cairo
An Architect by trade,
To Africa he went, and built more than
The pyramids there he made.

A lady from Alexandria
Did not know what he was like,
She married a girl
And they formed a nice family.

We love a man from Turkey
His smart and handsome and kind,
He's always on my mind

I love my little Muslim
He's smart and handsome and kind,
He's always on my mind

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

My Valentine, you are the best
And I love you with all my heart,
You are the best

Zulu Leader Warns Of Violence After Boycott Decision

JOHANNESBURG — Chief Mangosuthu Buthelezi of the Zulu people told followers Sunday to prepare themselves for "casualties and even death" after his party's decision to boycott the nation's first all-race election.

The Inkatha Freedom Party's decision to sit out the voting will lead to heightened violence, said Chief Buthelezi, the party's leader. He said months of intricate bargaining had failed to satisfy Inkatha's demands for Zulu autonomy and decentralized government.

Chief Buthelezi accused Nelson Mandela's African National Congress of having already started "ethnic cleansing" against his people.

Nineteen other parties, including the ANC and the governing National Party, met the Saturday midnight deadline for registering for the April elections.

Speaking in the northeastern town of Empangeni to more than 8,000 members of the Inkatha youth wing, Chief Buthelezi hammered at the ANC's alliance with the South African Communist Party and at the inability of its leaders to stop political violence.

"It is impossible for me to lie to you and reassure you that the IFP's opposition to fighting the election will not bring casualties and even death," he said.

"If you look at the ethnic cleansing that is taking place on the East Rand, they seem to have started on this kind of genocide," Chief Buthelezi said. He said that the ANC and its Communist allies might try to "exterminate the Zulus as the Nazis tried to exterminate the Jews." Supporters responded with chants of "We won't vote!"

Boycott Helps ANC
Bill Keller of The New York Times reported from Johannesburg: Inkatha's withdrawal Saturday from the vote seemed to assure the ANC an even more lopsided victory than expected. With Inkatha

retired to the political outskirts, the ANC seemed bound for a landslide in Natal, the very province Inkatha bargained most desperately to preserve for itself.

President F.W. de Klerk's National Party should also profit from the decision. White conservatives who had drifted to Inkatha may now look to Mr. de Klerk's party, by default the main vehicle for voters who fear the ANC.

But all polls show the National Party, despite an effort to diversify its white Afrikaner power base, is likely to be very much a junior partner in the next government.

The decision by Inkatha's central committee came hours before the midnight deadline for parties to be listed on the election ballot. In a terse announcement, it said it rejected the constitution under which the elections are to be held and vowed "to oppose the proposed election in any and every way which is permissible by law."

Between them, Inkatha and the white rightists command the support of less than 10 percent of South African voters, and polls suggest most of them will vote anyway, for someone else. But the president groups contain well-armed disharmonies who may interpret the call for a boycott as sanctioning intimidation of voters, disruption of polling places, sabotage and terror.

The only other black party with an important nationwide following is the Pan Africanist Congress, a militant anti-apartheid group that espouses black nationalism and wholesale redistribution of wealth.

The government's chief negotiator, Roelf Meyer, said Saturday that talks would continue in an effort to persuade Inkatha and the rightists holdouts to change their minds.

The government is also negotiating separately with the Zulu king, Goodwill Zwelithini, in hopes he might give his blessing to the elections and head off election violence in Zulu country.



A boy demonstrating the "leopard crawl" at a rally Sunday in Katieleng, East Rand, held by Nelson Mandela's African National Congress to welcome the South African Defense Force to the region.

On Patriots, Sudden Silence

U.S. to Await UN Talks on North Korea

Completed by the Staff From Dispatches

SEOUL — Washington has agreed not to discuss deploying Patriot anti-missile batteries in South Korea until after an International Atomic Energy Agency meeting next week on North Korea's nuclear program.

"We have agreed to stop discussing this issue before the IAEA's meeting," Foreign Minister Han Sung Joo told Korean reporters in Washington after two days of talks with U.S. officials.

Mr. Han said the agreement between Washington and Seoul was intended to avoid provoking the isolated Communist regime, which has threatened strong countermeasures if it were put under pressure to allow full outside inspections of its nuclear sites.

But the minister said the deployment of Patriot missiles at U.S. bases in South Korea could be open to discussions after Feb. 21, when the United Nations nuclear watchdog agency reports on its efforts to have North Korea accept full UN inspections.

Washington has indicated it would strengthen defenses in South Korea to forestall a possible North Korean attack.

South Korea's national Yonhap news agency quoted Mr. Han as saying that chances appeared slim for an agreement between North Korea and the UN on nuclear inspections before the deadline, but that they were not "not entirely hopeless."

The minister also tried to tone down the alarm over a possible conflict, saying he had told U.S. officials "that the security situation in the Korean Peninsula was not as serious as pictured in the U.S. press."

Seoul officials expect the UN to declare Pyongyang in breach of the Nuclear Nonproliferation Treaty unless it agrees to inspections by Feb. 21.

The UN could then refer the North Korean affair to the Security Council, which could impose sanctions against Pyongyang.

North Korea issued several hostile statements on Saturday, saying it would refuse to let the UN make unconditional inspections of all nuclear sites.

It also warned the United States, which has led diplomatic efforts to persuade North Korea to allow nuclear inspections, that any sanctions would be deemed a "declaration of war." (AFP Reuters)

R. Jeffrey Smith of The Washington Post reported earlier from Washington:

The governments of South Korea and Japan will support diplomatic action against North Korea if it fails to allow inspections, senior officials of the Asian nations said here.

The statements were the first concrete pledges by North Korea's closest neighbors, which have argued for continuing negotiations on the nuclear inspection issue while avoiding punitive measures that might provoke a confrontation.

U.S. officials said the statements by Mr. Han and Prime Minister Morihiro Hosokawa of Japan add urgency and political weight to an appeal by President Bill Clinton on Friday that North Korea promptly allow the disputed inspections.

Mr. Han told reporters and editors of The Washington Post on Friday that if North Korea did not comply with the inspection demand, "we will support the referral."

Washington is consulting allies on the extent of sanctions, but officials said one option was to begin by barring all military trade with North Korea and later moving toward a broader embargo on diplomatic contacts and trade in such commodities as energy.

South Korean and Japanese officials in Washington declined to discuss what sanctions might be imposed, but said they, too, favored applying them gradually to keep alive the possibility that North Korea might change its position and accept the inspections.

Munch's 'Scream' Is Stolen From Art Exhibition in Oslo

The Associated Press

OSLO — One of Norway's best known artworks, "The Scream" by Edvard Munch, was stolen from the National Art Museum over the weekend by thieves who used a ladder to climb in a window.

The painting was part of a special exhibition of the works of Munch, one of the highlights of a Norwegian Culture Festival in connection with the Winter Olympics in Lillehammer.

The theft was discovered when a policeman saw the ladder against the museum wall. The news agency NTB quoted the police as saying a window had been broken, and a ladder was attached to the painting to the wall just behind it. The wire cutters were found on the floor.

"The alarm was set off and the thieves were registered by a security camera," the director of the museum, Knut Berg, said. There was no further information on whether the two men were identifiable.

"This is one of the world's most famous paintings, too famous to be sold," said Alf Bines, director of the Munch Museum in Oslo. Munch painted it in 1893, as part of his "The Scream of Life" series, in which sickness, death, anxiety and love are central themes.

Italian Minister Warns Of 'Zhirinovsky Effect'

Reuters

ROME — Foreign Minister Beniamino Andreotti sounded an alarm Sunday over a "Zhirinovsky effect" in Italy if neo-Fascists win a slice of power.

He aimed his warning at Silvio Berlusconi, the businessman whose Forza Italia conservative movement is joining forces with the neo-Fascist-led National Alliance for the elections March 27 and 28.

"I don't think Mr. Berlusconi would like to play the part of Italy's Zhirinovsky," Mr. Andreotti said in a newspaper interview.

"Any technical or other accord with National Alliance in the case of victory for the right would be interpreted by the press and foreign governments as a most dangerous sign of a 180-degree turn in Italy's foreign policy and its international position."

Vladimir V. Zhirinovsky is the ultranationalist whose Liberal Democratic Party alarmed the West by winning a significant share of votes in Russia's parliamentary elections.

The National Alliance is headed by Gianfranco Fini, who is trying to soften the image of his Italian Social Movement and now calls himself a "post-Fascist."

Berlusconi's Brother Held
Jan Teglaba of The New York Times reported earlier from Rome: Mr. Berlusconi's younger brother is the latest prominent businessman to be arrested in Italy's 2-year-old bribery scandal.

The accusations against Paolo Berlusconi, 43, a politician and head of the family's real estate and building interests, cast a long shadow over his brother's campaign, which pledges a cleanup of the scandals, which range from kickbacks to ties to the Mafia.

Police Halt Bali Protest

Reuters

JAKARTA — Riot police broke up a student protest against a planned luxury resort on Bali, the official Antara news agency said Sunday.

The police moved in when about 150 students gathered outside the official residence of Governor Ida Bagus Oka in Denpasar on Saturday to demand a halt to the Bali Nirwana resort, the agency said.

On Friday, when a major poll put Silvio Berlusconi's movement at the head of the field, police officials in Milan announced that Paolo Berlusconi had turned himself in at their offices and had been served with an arrest warrant.

The poll showed that Forza Italia was favored in the March elections by about 24 percent of the voters against 19 percent for the nearest contender, the Democratic Party of the Left, the former Communist Party.

Earlier last week testimony by officials of Cariplo, a large government-controlled savings bank in Milan, linked the younger Mr. Berlusconi to kickbacks supposedly paid to politicians after the sale of several Milan office buildings to Cariplo's pension fund.

Paolo Berlusconi, whose real estate company at the time was part of his brother's Fininvest business group, has admitted that the real estate deals occurred but said any money paid was for legal fees.

Links between Paolo Berlusconi and the kickback scandal surfaced last year, when he was charged with illegal payments to politicians.

Yemenis Kidnap China Aid Team

Agence France Presse

SANA, Yemen — Three Chinese technicians helping to build a road in mountainous northeast Yemen have been kidnapped, a Chinese diplomat said here Sunday, a day after Yemeni tribesmen freed three French tourists.

The Chinese were abducted while building a road between Hija, 127 kilometers (75 miles) north of here, and Maareb, 173 kilometers east, the diplomat said. They had been working under the terms of a Yemeni-Chinese cooperation accord.

On Saturday about 100 tribesmen freed three French tourists they had held for 20 days in a bid to force the government to build a road through their northwestern region. Two retired agriculture professors, Henri Heslot and his wife, Jeanne, both 72, and Brigitte Fontaine, 42, a cardiologist, were reported to be in good health.



Thai Airways International is offering members of Royal Orchid Plus an extra bonus of flying free on Business Class to any one of our exotic destinations in Thailand.

To qualify for a free return Business Class ticket to any of our 22 destinations in Thailand, just complete 20 First* or Business Class sectors with Thai between February 1, 1994 and May 31, 1994.

Any flights between Bangkok and Singapore, Bandar Seri Begawan, Jakarta, Denpasar, Manila, Hong Kong, Kaohsiung, Taipei, Seoul, Kunming, Guangzhou, Shanghai, Beijing, Fukuoka, Osaka, Nagoya, Tokyo and Los Angeles - in either direction - qualify as one flight sector.

Also, flights to and from any of our 11 destinations in Europe, or five destinations in Australia and New Zealand, each count as one flight sector.

So, for example, a return Business Class flight from London to Hong Kong via Bangkok will earn you four flight sectors. And while you're accumulating flight sectors for your free flight, you're also earning Royal



Orchid Plus miles which you can exchange for more free air travel.

If you're not already a member of Royal Orchid Plus, join now. For a start, you'll receive 2,500 bonus miles on your first Thai flight after enrolling.

Pick up an enrolment form from your nearest Thai office or complete the coupon below. Membership is free.

*Offer available only to Royal Orchid Plus members residing outside Thailand. Travel to Thailand will be provided on Thai Airways International from the closest city to the member's residence from which Thai flies. Business Class is only available on some Thai domestic flights. First Class is not available on Asian regional flights.

ENROL NOW IN ROYAL ORCHID PLUS

Thai's Unique Turquest Flyer Programme

Pick up an enrolment form from your nearest Thai office or simply complete this coupon and either mail it to Thai Airways International, PO Box 567, Samsen Nai Post Office, Bangkok 10400, Thailand or fax it on 66-2-513-0222. Allow three weeks for delivery. Complete in English.

☐ Mr ☐ Mrs ☐ Miss ☐ Other Title

Name FIRST NAME FAMILY NAME

Address

POSTCODE COUNTRY

Phone HOME BUSINESS MAGNUS HARTVIG & CO LTD THAI31389T

Rating the World's Best Restaurants: Belgium, Luxembourg, The Netherlands

With this page on Belgium, Luxembourg and the Netherlands, the IHT's restaurant critic, Patricia Wells, continues to rate the world's top restaurants. Each month features a different destination and an extended review of several of the best restaurants in that region. A companion report focuses on more casual and affordable restaurants. In future months we will look at restaurants in Britain, Italy, Germany, Spain and more. If you would like to share your favorite finds with Patricia Wells, please write her at the IHT.

- No. 1: Comme Chez Soi, Place Rouppe 23, Brussels, tel: (32-2) 512-2921.
- No. 2: Christophe, Lelegracht 46, Amsterdam, tel: (31-20) 625-0807.
- No. 3: Lea Linster, Route de Luxembourg 17, Friesange, Luxembourg, tel: (352) 6-84-11.

Patricia Wells
A GREAT meal is all about harmony, balance, a slow dance of rhythms and flavors that flatter, even enhance, one another. At Comme Chez Soi, Pierre Wynants's winter menu degustation is just that — a veritable culinary sonnet. In a menu that pays homage to good taste and solid experience, the 54-year-old Wynants weaves soup and fish, poultry and organ meats, ending with a soothing warm Roquefort soufflé: a perfect antidote to the gray, the rain, the cold. While Wynants — the holder of three Michelin stars since 1979 — could be considered one of the granddads of great European cuisine, he is clearly a chef in touch with the '90s. He's a man who respects the classics, yet carefully, judiciously adds such Asian touches as lemongrass and fresh coriander, all the while honoring the game, wild mushrooms and Belgian endive of his native land.

His *consommé d'oursins* is like a touch of springtime in a bowl, a soothing, well-textured marriage of creamy sea urchins, briny oysters and crisp green asparagus. The sunshiny pouts in with his *belle meunière de bar*, fresh sea bass with its crackly skin, bathed in a warm and perfectly acidic vinaigrette, a crunch of poppy seed and sesame seed, a touch of tomato and celery. A timbale of spinach presents a fine contrast of color and texture to his famed *canard des bois grillé*, an Asian-inspired duck with a spice-infused crust, enhanced with a satisfying ration of foie gras.

Texture reigns again with his smooth, mouth-filling portions of *ris de veau*, or sweetbreads, offset by the crunch of fresh black truffles, the silken elegance of wild mushrooms.

Wynants has been in the kitchen since the age of 16, the third generation to fill the tables in this once modest house on a simple square. Success has permitted expansion and renovation, and five years ago, Wynants and his wife, Marie-Thérèse, with their daughter, Laurence, re-created a fittingly sumptuous decor in the style of Victor Horta, the city's great Art Nouveau architect and designer. It's an ensemble that suits them, and their lucky diners, just fine. Their well-priced menus offer excellent value. Just be certain to reserve well in advance.

Closed Sunday and Monday. Menu at 1,875, 3,750 and 4,250 Belgian francs (\$32, \$67.50 and \$118). A la carte, 1,825 to 4,000 francs. Prices include service but not wine.

It's away from home that one often sees one's own culture in finer focus, and it's clear that the Frenchman Jean-Christophe Royer has his lens



Art Nouveau interior, above, and facade of Comme Chez Soi in Brussels. Inset, Christophe in Amsterdam.

zoomed in on his native France. An early childhood in Algeria, schooling in Toulouse, cooking stints in Amsterdam, Baltimore, New York, and then back to Amsterdam, have allowed this Michelin-starred, 39-year-old chef an international vision.

I'd return any day to Christophe, his elegant town house restaurant right on an Amsterdam canal, to sample the explosive, creative modern French fare. It's hard to top the audacity or the resulting success of his first-course offering of warm oysters with red beets and caviar. Individual leaves of Belgian endive are bathed in butter, and gently crunchy strands of beets receive equal treatment. Everything comes together as the warmed, plump Zealand oysters bring their briny opulence to play, as colors, textures, flavors erupt on the plate and on the palate.

Equally pleasingly, equally sensuous is his impeccably roasted farm pigeon in its almost garish wine sauce, paired with a festival of vegetables in matching tones of garden green — spring peas, fava beans, green beans tangled in a picture-perfect nest.

I was less enthusiastic about his roasted lobster with sweet garlic and potatoes: It's just not a great match, and neither potatoes nor garlic serve to enhance the basic simplicity of this often abused crustacean.

But Chef Royer won my heart, soul and palate with a dessert titled simply "roasted fresh figs with thyme ice cream." Somehow, on a rainy northern night he managed to import every ray of Provençal sunshine, evoking a sun-

kenched summer day when the air is perfumed with the scent of grilled thyme and ripe warm figs drop from the tree.

It's a true shame that the service — off schedule, unpunctuated, though clearly well-meaning — fails to measure up to the magic on the plate.

Closed Sunday. A la carte, 125 guilders (\$64), including service but not wine.

From the second you walk into Lea Linster's country restaurant on the outskirts of Luxembourg city, you know you're in a house of delicious scents. Fine aromas waft from the kitchen, as the distinct perfumes of black truffles, sizzling lardons doused with vinegar, fried garlic chips, and a crisp, noble Riesling from the limestone soil of the banks of the Moselle, put you right at ease.

If you've ever wondered how a woman's cooking differs from a man's, Lea Linster is a fine place to begin your education. Unlike the well-executed but unemotional cooking of many professionally trained male chefs, there's nothing staid or rote about her food, and you can taste that extra dose of love. You taste it in her finely executed portions of saddle of lamb, wrapped in a potato crust and a blend of parsley, summer savory and thyme; in the rosy veal kidneys, cooked in butter and showered with golden slivers of deep-fried garlic. And you see it on the menu, where all is familiar yet nothing is cliché, as cubes of foie gras embellish a traditional green salad with bacon and crostons, and John Dory shares honors with a risotto of coquillages.

Service follows suit, with a healthy dose of elegance and not an ounce of arrogance. The winner of the prized Bocuse d'Or in 1989, this gregarious, ambitious 38-year-old chef cherishes her single Michelin star, and has her eyes on a second. More power to her. (For a sampling of robust country fare, Lea Linster's mother tends a family bistro just a few kilometers away, in the village of Hellange: Lezzerburger Kaschhaus, 4 Route de Bettembourg, Hellange, tel: (352) 51-65-73.)

Closed Monday and Tuesday. Menu at 2,000 and 2,600 Luxembourg francs (\$35 and \$71). A la carte, 2,500 francs. Prices include service but not wine.

THE LIST SO FAR

The following is an evolving list of the 10 best restaurants in the world and the 10 best affordable restaurants, based on reporting so far. The list includes reviews on Hong Kong, Tokyo, the United States, France, and the Benelux countries. With each monthly report the list may change, as restaurants are re-evaluated on a world scale and new competition comes on board.

The Top Tables

- No. 1: Joll Robuchon, 59 Avenue Raymond-Poincaré, Paris 16, tel: 47-27-12-27.
- No. 2: Lai Ching Heen, The Regent, Salisbury Road, Kowloon, Hong Kong, tel: (852) 721-1211.
- No. 3: Le Louis XV-Alain Ducasse, Hôtel de Paris, Place du Casino, Monte Carlo, tel: 92-16-30-01.

- No. 4: Ki-Cho (Kitcho), Chuo-ku, Ginza 1-11-2, Hotel Seiyō (B1, basement), Tokyo, tel: 3535-1177.
- No. 5: Jiro, Chuo-ku, Ginza 4-2-15, Tsukamoto Sozan Building (B1, basement), Tokyo, tel: 3535-3600.
- No. 6: Guy Savoy, 18 Rue Troyon, Paris 17, tel: 43-80-40-61.
- No. 7: Taillevent, 15 Rue Lamennais, Paris 8, tel: 45-63-96-01 and 45-61-12-90.
- No. 8: Restaurant Daniel, 20 East 76th St., New York, tel: (212) 288-0033.
- No. 9: The Inn at Little Washington, Middle and Main streets, Washington, Virginia, tel: (703) 675-3800.
- No. 10: Comme Chez Soi, Place Rouppe 23, Brussels, tel: 512-2921.

Casual Dining

- No. 1: Al Forno, 577 South Main St., Providence, Rhode Island, tel: (401) 273-9767.
- No. 2: La Tupina, 6 Rue Porte de la Monnaie, Bordeaux, tel: 56-91-56-37.
- No. 3: Frontiera Grill, 445 North Clark, Chicago, tel: (312) 661-1434.
- No. 4: Victoria City Seafood Restaurant, Sun Hung Kai Centre, Wanchai, Hong Kong, tel: 827-9938.
- No. 5: City Chiu Chow Restaurant, East Ocean Centre, 98 Granville Road, Tsim Sha Tsui East, Kowloon, Hong Kong, tel: 723-6226.
- No. 6: Le Camille, 6 Rue de Chevreuse, Paris 6, tel: 43-20-63-43.
- No. 7: A la Table des Guillois, 17-19 Rue de la Résistance, Schouweiler, Luxembourg, tel: 37-00-08.
- No. 8: Café Crocodile, 354 East 74th St., New York, tel: (212) 249-6619.
- No. 9: Shaboun, Chuo-ku, Ginza 5-8-2, Ginza Koah Building (B1 basement and second floor), Tokyo, tel: 3571-1717.
- No. 10: Nishantel, Minato-ku, Roppongi 4-5-6, Tokyo, tel: 3402-0606.

BOOKS

THE GHOST OF THE EXECUTED ENGINEER: Technology and the Fall of the Soviet Union

By Loren R. Graham. 128 pages. \$22.95. Harvard University Press.

Reviewed by Roald Sagdeev

THE opening of the Soviet archives and Loren R. Graham's dedicated research for "The Ghost of the Executed Engineer" has brought to light one of the most interesting figures in Soviet history. The offspring of a middle-class family, Peter Palchinsky graduated from St. Petersburg Mining Institute in 1901. His work focused on Russian coal mines, first in the Don Basin and then in Siberia, where he was excited by the czarist government for his political activities. He proclaimed his admiration for socialist ideas, but rejected the violence promoted by the Bolsheviks.

Escaping from czarist oppression in 1908, Palchinsky spent five years in Europe, where he established himself as a prominent engineer. In his work on major technical projects, he featured what we now call the "system approach," focusing on the social and economic aspects of the engineering work at hand. He sought to bring this knowledge to post-revolutionary Russia but perished in Stalin's terror in April 1928.

In his book, Graham, a history professor at the Massachusetts Institute of Technology, makes the assertion that Palchinsky's approach to engineering may have been the cause of his death. But the reasons for Palchinsky's execution went deeper than that. The Soviet regime was suspicious of the intelligentsia, who were, according to Lenin, all "rotten." Potential disloyalty to the Communist Party could result in persecution or a ban from one's profession. My generation, which graduated in the '50s, still had to answer the perennial question: And what did you do before the October Revolution of 1917?

In that sense, Graham's tragic hero was a marked man as soon as the Bolsheviks took power. Two nights before the October 1917 events, the Provisional Government in Petrograd (St. Petersburg) appointed him one of the key organizers of the Winter Palace's defense against an expected Bolshevik upris-

WHAT THEY'RE READING

• Annal Baring, visiting professor at St. Antony's College, Oxford, from Berlin is reading "The Downing Street Years" by former Prime Minister Margaret Thatcher. "I find this fascinating, particularly her relationship with President Mitterrand of France and how she tried to get him to stop the process of German unification. Of course this failed, but there are other interesting aspects to the book too." (Michael Kallenbach, IHT)



I am not suggesting that the Soviet system was a model for education in general. It was contaminated by compulsory Marxist dogmas and indoctrination. Soviet-style. But as paradoxical as it might sound, the country had a rather robust system for technical education and managed to achieve some notable successes — Sputnik, for example, which triggered a chain reaction of educational reforms in the United States in the late '50s-early '60s.

The biggest failure of the system with respect to technology was the USSR's inability to fully avail itself of the talents of its engineers. The system simply ignored technology's potential for improving the social and material life of the population. That oversight eventually contributed to the collapse of the socialist idea in the Soviet Union.

Graham's book is readable and interesting, and the device of using one man's life to tell a larger story makes the topic more accessible. But Graham draws too general a thesis from the life of someone who was hardly typical. And any book that purports to address the factors that brought about the collapse of the Soviet Union would have to number more than 128 pages.

Roald Sagdeev, a professor of physics at the University of Maryland and former director of the Space Institute in Moscow, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

TWO players dominated the two 1993 Player of the Year races in New York City, reports the Greater New York Bridge Association. In the regular listings, including all major events, Tom Smith of Greenwich, Connecticut, eked out a victory over victory Boem of Manhattan by a margin of just 2 points. Boem turned the tables in the Team Player of the Year race, beating Smith by 25 points.

They were playing together on the diagramed deal from the Regional Knockout Teams during the New Year's championships, which concluded the tournament year. Smith's raise to two clubs was inverted, and therefore strong and forcing. He then pulled his partner's double of two hearts, a wise

move since that contract would have succeeded. But he erred in the play of three no-trump.

Boem, as West, led the diamond king, which was permitted to win. Smith, East, played a discouraging deuce, and his partner shifted to a low spade. South finessed the queen, hoping the king was on his left, but was disappointed. East won and played the spade jack, which was allowed to win. Now East shifted back to diamonds, playing the jack, and South was doomed to a two-trick defeat.

South's play to the first trick was an error. He should have taken his ace, led his singleton heart and finessed dummy's ten, a play that was likely to succeed in the light of the overcall. Then he would continue with the heart king, and have nine tricks before the defenders could do anything with their spades.

| NORTH (D) | | | |
|---------------|--|--|--|
| ♠ A Q 4 | | | |
| ♥ K Q 10 5 | | | |
| ♦ 8 3 | | | |
| ♣ K 9 7 2 | | | |
| WEST | | | |
| ♠ 8 7 | | | |
| ♥ A J 9 7 6 2 | | | |
| ♦ K Q 10 4 | | | |
| ♣ — | | | |
| EAST | | | |
| ♠ K 10 5 | | | |
| ♥ 8 4 | | | |
| ♦ J 7 2 | | | |
| ♣ 8 6 5 3 | | | |
| SOUTH | | | |
| ♠ 9 7 3 | | | |
| ♥ — | | | |
| ♦ A 8 5 | | | |
| ♣ A Q J 10 4 | | | |

Both sides were vulnerable. The bidding: North 1♠, East 2♣, South 3NT, West 4♠. Pass.

CASUAL DINING

- No. 1: A la Table des Guillois, 17-19 Rue de la Résistance, Schouweiler, Luxembourg, tel: (352) 37-00-08.
- No. 2: Brasserie La Roue d'Or, 26 Rue des Chapeliers, Brussels, tel: (32-2) 514-2554.
- No. 3: Keyzer, Van Baerlestraat 96, Amsterdam, tel: (31-20) 671-1441.

IT'S a clear sign of the times when a successful, urban, two-star Michelin chef trades it all in for a modest country bistro. A year ago, Pierrick Guillois and his wife, Lysiane, sold their historic Luxembourgish sanctuary, Saint-Michel, and in December they opened the doors of a 1650s farmhouse turned bistro, on the outskirts of town. So instead of lobster and langoustine, we're dining on *gratin de pied de porc* and leeks in vinaigrette and loving every mouthful.

A la Table des Guillois is the epitome of the world's new casual table, where everyday food is prepared with the same care and attention once reserved for grand palace dining. Which is why Guillois's luscious, springlike offering of leeks in vinaigrette bears no resemblance to the soggy, fibrous version found in most bistros.

His pig's-foot gratin — layers of creamy mashed potatoes embedded with bits of pork — appears as graceful, elegant and luxurious as any dish can be, and his *farrotto de porc aux lentilles* arrives as a mound of earthy judicious lentils topped with a tepee of moist, chewy slices of pork.

The beautifully preserved farmhouse — with its huge copper-hooded hearth, thick tile floors, dark wooden beams and an elegant armchair set into the wall — make you feel right at home, but, oh, what a home.

Closed Saturday lunch and Tuesday. A la carte, 1,250 Luxembourg francs (\$35), including service but not wine.

Chic, clean, serious and cozy: Who could ask for more in a bustling, casual brasserie just steps from Brussels's Grand Place? Brasserie La Roue d'Or, on Rue des Chapeliers, plays straight to one's nostalgic longings, with its back bar as big and imposing as an altar, and his right to the funny bone, with its Magni-



Inside Brasserie La Roue d'Or in Brussels.

inspired frescoes of gentlemen in big black derbies.

The menu includes such Belgian classics as croquettes de crevettes, waterzooi and mussels in many guises, but steps into the modern world with a fine, updated rendition of rabbit with mustard (one rabbit leg boned and stuffed with a refined rabbit mousse, the other cooked on the bone, smothered with an elegant mustard sauce) and a gargantuan *por au feu d'agneau*, a vegetable-dominated creation that includes a light broth, plenty of lamb and an avalanche of fresh peas, mushrooms, green beans, snow peas and fresh baby onions.

Closed Saturday and Sunday. A la carte, 1,000 Belgian francs (\$28).

In Amsterdam, classic "brown café" just steps from the Concertgebouw, a highly democratic place where locals of all ages, appetites and summer gather for a heavy dose of ambience and local culture.

Here, that means what's on the plate is far less important than the surroundings — people gather around the well-lit reading tables, sharing the stacks of newspapers set out for that purpose, down a glass of beer with traditional offerings of *witbitter*, platters of fried eggs and ham or cheese atop a slice of white bread. Silvery heering in season, a portion of *bitterballen* (tiny, crisp, deep-fried shrimp balls), a piping-hot pea soup complete the tableau.

Not much pizzazz but a ton of history, and worth every minute.

Closed Sunday. A la carte, 30 to 90 guilders (\$15 to \$45), including service but not wine.

For an extended look at café life in Amsterdam, don't miss a visit to the large and cozy Café Luxembourg, Spui 22-24, tel: 620-62-64, and to the modern De Jaren, Nieuwe Doelenstraat 20-22, tel: 625-57-71. Coffee, chatter and light snacks are the order of the day.

In Brussels, there's a large gap between the grand dining tables and the simple brasserie: Grand dining there can equal that anywhere, yet standards slip when it comes to most brasseries and bistros, where ambience greatly outweighs the quality of cooking.

In Luxembourg, the capital itself has caved in to a mix of fast food eateries and a cluster of overbearing, overpriced establishments. The real action is outside of town, just a short drive away.

The best tables in the Netherlands are French, and the Gallic torch shines brightly there, where the discipline inspired by Escottier stands as a model for us all. For everyday fare there, don't pin your hopes on grand gastronomy. Rather, develop a taste for strong coffee, pea soup and little sandwiches, and stretch out meal time with a good newspaper, magazine or book.

TIPS

UNITED by a bond of simple geography and bolstered by the flowering of the European Union, Belgium, Luxembourg and the Netherlands also share a common, longtime allegiance to French cuisine. But examine the cultures one by one, and you'll find well-defined differences, nuances that make a meal in Brussels, in Luxembourg, in Amsterdam quite unlike ones you'll have on French soil.

Brussels and Luxembourg can best be defined as capitals of expense-account land, and beware of the danger of prices that bear no relation to culinary value.



And while the Dutch have worked hard to maintain a reputation as some of the world's greatest eaters, finesse and subtlety in their own cuisine are not their fortes. That said, it's best to adopt the "when in Rome" defense in all three.

Provided by Credit Suisse First Boston Limited, London, Tel: 322 40 00. Prices may vary according to market conditions and other factors. Feb. 11

| Dollar Straights | | | | |
|--|-----|-----|-------|----------|
| Issuer | Con | Mat | Price | Yld Trsv |
| Governments/ Supranationals | | | | |

[illegible]

| | | | | | |
|-----|-----|----|----|------|------|
| Jan | Feb | 6% | 9% | 102% | 4.9% |
|-----|-----|----|----|------|------|

[illegible]

Mar 11 Feb 54 75 101 1/2 402

[illegible]

| Issue | Price |
|-------------------|-------|
| Add Aug | 86 |
| Amex Mega Aug | 90 |
| Amex Int'l Aug | 84 |
| Amex Bk DC | 80 |
| Am Int'l USA | 77 |
| Australia Jun | 95 |
| Bp Cdn Jun | 75 |
| Bt Gcs Feb 17 Nov | 92 |
| Caterpillar Feb | 94 |
| Coca May | 94 |
| Coca May | 81 |
| Coca P | 89 |
| Centrafut Feb | 10 |
| Chem Nv Feb | 94 |
| Chem Nv Feb | 95 |
| Chem Nv Feb | 90 |
| Chem Nv Feb | 87 |
| Chem Nv Feb | 90 |
| Chem Nv Feb | 82 |
| Chem Nv Feb | 83 |
| Ct Natl Sep | 84 |
| De Fin Jan | 95 |
| Denmark Aug | 98 |
| Edi Sep | 94 |
| Ekasport Oct | 94 |
| Esplan Cpy Aug | 84 |
| Esplan Cpy Aug | 84 |
| Est Intl Feb | 85 |

| Issuer & Maturity | Price | Yield |
|---------------------|--------|-------|
| Ecus | | |
| Bco DI Rom Apr 97 | 99 1/2 | 8 1/2 |
| Belgium Apr 88 | 99 | 8 1/2 |
| Belgium May 97 | 99 1/2 | 8 1/2 |
| Sc Greece Aug 97 | 99 1/2 | 7 1/2 |
| Bel Aug 88 | 99 1/2 | 8 1/2 |
| Ber Aug 96 | 99 1/2 | 8 1/2 |
| C J Jan 95 | 99 1/2 | 8 1/2 |
| Ecus Dec 86 | 99 1/2 | 8 1/2 |
| C Foncier Apr 96 | 99 1/2 | 8 1/2 |
| Cr Impia Jul 97 | 99 1/2 | 8 1/2 |
| Ecus Feb 82 | 99 1/2 | 8 1/2 |
| Ecus Aug 81 | 100 | 8 1/2 |
| Ecus Pt Mar 96 | 100 | 8 1/2 |
| Ibco Apr 82 | 99 1/2 | 8 1/2 |
| Ibco Trn Jun 97 | 99 1/2 | 8 1/2 |
| Longview Nov 95 | 99 1/2 | 8 1/2 |
| Italy Oct 85 | 99 1/2 | 8 1/2 |
| Public Power Sep 97 | 99 1/2 | 8 1/2 |
| SI-ecus in Para | 99 1/2 | 8 1/2 |

| | |
|------|------|
| 194 | 1974 |
| 1974 | 1974 |

[illegible]

96

01
02
03
04
05
06
07
08
09
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
00

OTC Consolidated trading for week ended Friday, Feb. 11

[illegible][illegible][illegible]

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------|--------|----|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|----|
| Greenland | 98e-11 | 15 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | </ |
|-----------|--------|----|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|----|

| Rank | Company | 1997 Sales (\$ mil.) | % Chg. '96-'97 | 1997 Assets (\$ mil.) | 1997 Employees |
|------|------------------|----------------------|----------------|-----------------------|----------------|
| 1 | General Electric | 28,100 | +1% | 100,000 | 125,000 |
| 2 | General Motors | 27,500 | +1% | 100,000 | 125,000 |
| 3 | Ford Motor | 26,500 | +1% | 100,000 | 125,000 |
| 4 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 5 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 6 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 7 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 8 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 9 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 10 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 11 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 12 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 13 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 14 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 15 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 16 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 17 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 18 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 19 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 20 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 21 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 22 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 23 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 24 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 25 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 26 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 27 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 28 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 29 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 30 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 31 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 32 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 33 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 34 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 35 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 36 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 37 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 38 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 39 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 40 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 41 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 42 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 43 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 44 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 45 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 46 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 47 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 48 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 49 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |
| 50 | Chrysler | 25,500 | +1% | 100,000 | 125,000 |

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|----|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|-----|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| 1 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| 2 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| 3 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| 4 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| 5 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| 6 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| 7 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| 8 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| 9 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| 10 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| 11 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| 12 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| 13 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| 14 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| 15 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| 16 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 |
| 17 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

[illegible][illegible][illegible]

| Country | Value | Change |
|--------------|-------|--------|
| Algeria | 17.00 | +0.00 |
| Argentina | 17.00 | +0.00 |
| Australia | 17.00 | +0.00 |
| Austria | 17.00 | +0.00 |
| Belgium | 17.00 | +0.00 |
| Brazil | 17.00 | +0.00 |
| Canada | 17.00 | +0.00 |
| France | 17.00 | +0.00 |
| Germany | 17.00 | +0.00 |
| Greece | 17.00 | +0.00 |
| India | 17.00 | +0.00 |
| Italy | 17.00 | +0.00 |
| Japan | 17.00 | +0.00 |
| South Korea | 17.00 | +0.00 |
| Spain | 17.00 | +0.00 |
| Sweden | 17.00 | +0.00 |
| Switzerland | 17.00 | +0.00 |
| Taiwan | 17.00 | +0.00 |
| Thailand | 17.00 | +0.00 |
| UK | 17.00 | +0.00 |
| USA | 17.00 | +0.00 |
| West Germany | 17.00 | +0.00 |
| Yugoslavia | 17.00 | +0.00 |

FIRE INS

CENCY RA

CAPITAL MARKETS

Roadblocks, Near and Far, To a European Bond Rally

By Carl Gewirtz
International Herald Tribune

PARIS — European bond markets are ripe for a rally, an array of analysts predict. But on the crucial question of when this will happen, there is silence. The major impediment is the Bundesbank's reluctance to cut short-term German interest rates, and a further complication is the behavior of Japanese investors.

The failure of last week's U.S.-Japanese summit meeting to resolve trade differences is widely expected to add upward pressure on the yen against all currencies. With the close of Japan's fiscal year barely a month away, there is considerable fear that Japanese investors, seeking to rush assets back into yen before the currency appreciates too far, will sell overseas holdings and repatriate the profits. The yen's rise would then snowball.

Eyes are on the Bundesbank and Japanese investors.

Simon Crane, a London-based trading adviser, considers that the yen is poised for a substantial rise that could be set off by talk from the U.S. administration that such an increase is desirable.

He expects the dollar to fall from Friday's close of 107.10 yen to a minimum of 104.50 and possibly to 101 yen. Mr. Crane is anticipating "a major trading week for the yen, which looks technically ripe for a strengthening against all currencies."

In Germany, meanwhile, analysts put low odds on an interest rate cut at the Bundesbank's policy-making meeting on Thursday, unless there is a breakthrough in employment talks with the IG Metall metalworkers union. The Bundesbank can draw some relief from the recent performance of the Deutsche mark, which has gained a bit in Europe and held up well against the dollar despite the rise in U.S. rates.

But the rise in the yield on 10-year German government bonds — the rate is up 16 basis points over the past month, to 5.77 percent on Friday — is uncomfortable for the central bank's policymakers. They contend that low long-term rates are more important for recovery than declining short-term rates.

Last week's upset in the sterling market, where 10-year yields rose 20 basis points after a quarter-point cut in short-term interest rates that the market deemed unjustified, can only reinforce the Bundesbank's reluctance to move.

Investors appear to be in no mood to anticipate the next rate cut because they have already been badly burned. Since the start of the year, bond yields in Europe have risen in eight of the 13 major markets. The increase has been 24 basis points in Germany and 40 in Britain. Of the five markets bucking the trend, only the Swedish market was able to advance amidst last week's general gloom.

The major haven for investors has been floating-rate dollars, due to the inherent protection against rising interest rates as well as the

See BONDS, Page 11

World Bank Cautions China on Inflation

The Associated Press

BEIJING — China should curb money-supply growth this year to head off inflation, which is the biggest threat to stable development in the country, a World Bank official was quoted Sunday as advising.

"It is now more important than ever to be very prudent in monetary policy," the China Daily Business Weekly quoted the World Bank's chief of mission in China, Pieter Bontelaar, as saying.

He urged the Chinese government to carry out its pledge to slow down economic growth, saying that the 13 percent annual growth of 1992 and 1993 put too much strain on infrastructure and environment.

Prices rose an average of 24 percent in cities and about 14 percent nationwide last year, causing widespread grumbling and government concerns about social unrest. The government wants to keep economic growth down to 9 percent this year, chiefly by restricting loans and new development projects, and hopes to hold inflation below 10 percent.

"The risk of high inflation is the greatest challenge facing China's economy in the near term," the paper quoted Mr. Bontelaar as saying.

Separately, the Business Weekly quoted a financial official as saying that the national currency, the yuan, would hover at about 8.7 to the U.S. dollar at least through the first quarter of the year.

It quoted Xiao Jing, an official of the Bank of China's Institute of International Finance, as saying the government would keep a tight rein on overall credit and bank interest rates would remain high.

She warned against excessive optimism, however, saying inflation could create pressure to devalue.

The government has made great efforts to keep the yuan's foreign-exchange rate stable since Jan. 1.

German Social Contract Unravels An Envied Workers' Paradise No Longer Can Compete

By Ferdinand Protzman

NEW YORK TIMES SERVICE
BONN — Steadily rising wages, a shrinking workweek, near-lifetime job security, abundant vacation time, generous bonuses, superb training programs and fringe benefits that are the envy of employees in other developed nations. Those were the terms of the unwritten social contract that has governed West German workers since the end of World War II. In return, employers got a reliable, well-trained, hard-working labor force and remarkably few strikes. Judged on a historical basis by the high quality of Germany's products and the success its companies have enjoyed at home and abroad, the pact was an indisputable boon to both employees and management and formed one of the pillars of the nation's economy.

Unfortunately, it no longer works. Instead, the social contract that once made Germany's economy a model of stability has helped erode the nation's competitiveness as it struggles to recover from the worst recession in its postwar history.

The result is that management and labor are now on a collision course in Germany's biggest and traditionally strongest industries. With the battle lines marked in recent weeks by walkouts from auto plants, machinery companies and shippers, the confrontation promises to produce changes that will affect not only business and industry, but all of German society.

The problems in Germany have implications as well for economic and public policy in the rest of Europe and the United States. "We have a cost crisis that has caused

something of a structural crisis," said Hans-Peter Stuhl, president of the German Chambers of Commerce and the owner of Andreas Stuhl, a chain saw manufacturer near Stuttgart. "Either German unions will accept substantial reductions in incomes and wages, or we will lose more jobs. We also have the possibility of moving more jobs abroad."

In Europe, the upheaval is being seen as a forerunner of problems certain to surface in other countries.

"Suddenly, there is a lot of uncertainty about the existing structures in the wake of the Cold War, not just in Germany, but throughout Europe," said Kurt Biedenkopf, premier of Saxony, Eastern Germany's most industrially advanced state. "There is growing doubt about the promise of the welfare state, doubt that it can guarantee the individual's health, welfare and workplace through constant economic growth. Exponential growth, as in the postwar years, is not possible."

In the United States, the American system may come to be seen more as a model for Germany than vice versa. While running for president in 1992, Bill Clinton lauded Germany for its highly skilled workers and training programs, and cited Germany, along with Japan, as countries that managed better than the United States in keeping industry from moving to lower-wage countries.

Given the current labor-management strife here and the loss of about 900,000 manufacturing jobs in the last three years, this may be changing. To create jobs, Germany may be forced to move to lower-wage, lower-skilled jobs, as the United States did during the

1980s. Now it is the United States that is proving attractive to German business.

For instance, Bayerische Motoren Werke AG, the maker of BMW cars, is building an assembly plant in South Carolina to take advantage of that state's low level of unionization and relatively low wages.

"There is a completely different social contract in the United States and Europe," said C. Fred Bergsten, director of the Institute for International Economics in Washington. "The U.S. has kept labor costs down and created 40 million jobs over the past 20 years. In Europe, wages have risen about 60 percent during that span but only 2 or 3 million jobs have been created."

Another major difference in many European countries is that companies are legally obliged to consult with labor representatives on all important decisions.

In Germany, labor holds seats on the boards of all major companies and is part of the discussion when layoffs or shifts in production locations are being planned. But proposals by the European Union would significantly weaken labor's position in the corporate structure.

In the last few weeks, the struggle here between labor and management has been played out in the streets as hundreds of thousands of workers held a series of three-hour strikes. The walkouts were ordered by the 3.6 million-member IG Metall metalworkers union, which is demanding a pay increase of 5.5 percent to 6 percent.

A strike appeared to be inevitable by IG Metall members after the breakdown of last-

See SOCIAL, Page 11

U.S. Tactic On Yen Likely to Backfire

By Steven Brull

TOKYO — An attempt by the United States to get even over trade with Japan by pushing up the value of the yen would likely backfire, while retaliation targeted against selected products is likely to damage specific companies but do little damage to the broader economy, economists said Sunday.

Frustrated over a lack of access to the Japanese market, Washington helped talk up the yen to a record of 100 to the dollar last summer. Although the yen has since weakened, the strategy had some success, forcing Japan to buy more from overseas and led to the peaking of Japan's monthly trade surplus in November.

But further yen appreciation would only undermine the recession-mired economy and deprive consumers of the income they need to buy products from overseas.

"We need a cheaper yen to spark a recovery," said Masaru Takagi, chief economist of the Fuji Research Institute. "If the yen rises, there will be little chance that the Japanese economy will recover later this year."

A weak Japanese economy would also send ripple effects throughout Southeast Asia, which benefits from Japanese demand for exports. Slower growth in these countries, in turn, would further reduce U.S. exports to the region, although this would be offset to some extent by the increased competitiveness of exports from other Asian countries against those from Japan.

"The U.S. has a big stick, but it hurts the U.S. as well," said Kazuo Nukazawa, managing director of Keidanren, Japan's powerful business organization.

Still, Japanese expect Washington to retaliate in some form following France's collapse of trade talks between President Bill Clinton and Prime Minister Morihiro Hosokawa. The so-called framework talks aimed to improve access to Japan's market for automobiles

See SANCTIONS, Page 11

Bundesbank Seen Maneuvering for Position

International Herald Tribune

PARIS — It is no secret that France has no desire to unilaterally cut interest rates, despite high unemployment and low inflation, even though last August's widening of the European Monetary System's currency trading bands appeared aimed at facilitating such independence from the Bundesbank.

The official explanation from Jean-Claude Trichet, governor of the Bank of France, has been that a stable value of the franc is the only way to get long-term French interest rates as low as possible.

Now, from Christopher Potts, an economist at Banque Indosuez, comes a political interpretation: that France "views such independence as a trap, designed to safeguard the Deutsche mark's dominant position in Europe."

He posits that Germany wants its partners in the European Monetary System to use the current weakness of the mark on the foreign exchange market to cut short-term interest rates while German levels remain constant.

The official explanation from Jean-Claude Trichet, governor of the Bank of France, has been that a stable value of the franc is the only way to get long-term French interest rates as low as possible.

Now, from Christopher Potts, an economist at Banque Indosuez, comes a political interpretation: that France "views such independence as a trap, designed to safeguard the Deutsche mark's dominant position in Europe."

He posits that Germany wants its partners in the European Monetary System to use the current weakness of the mark on the foreign exchange market to cut short-term interest rates while German levels remain constant.

"By holding its own rates unchanged for a prolonged period, the Bundesbank is again trying to demonstrate to investors that it is the most resolutely anti-inflationary central bank in Europe," he said.

The reward for this is protecting the mark's status as the anchor currency in Europe which, in turn, enables Germany to have lower interest rates, adjusted for inflation, than any of its neighbors. This is a significant and perennial advantage to German industry.

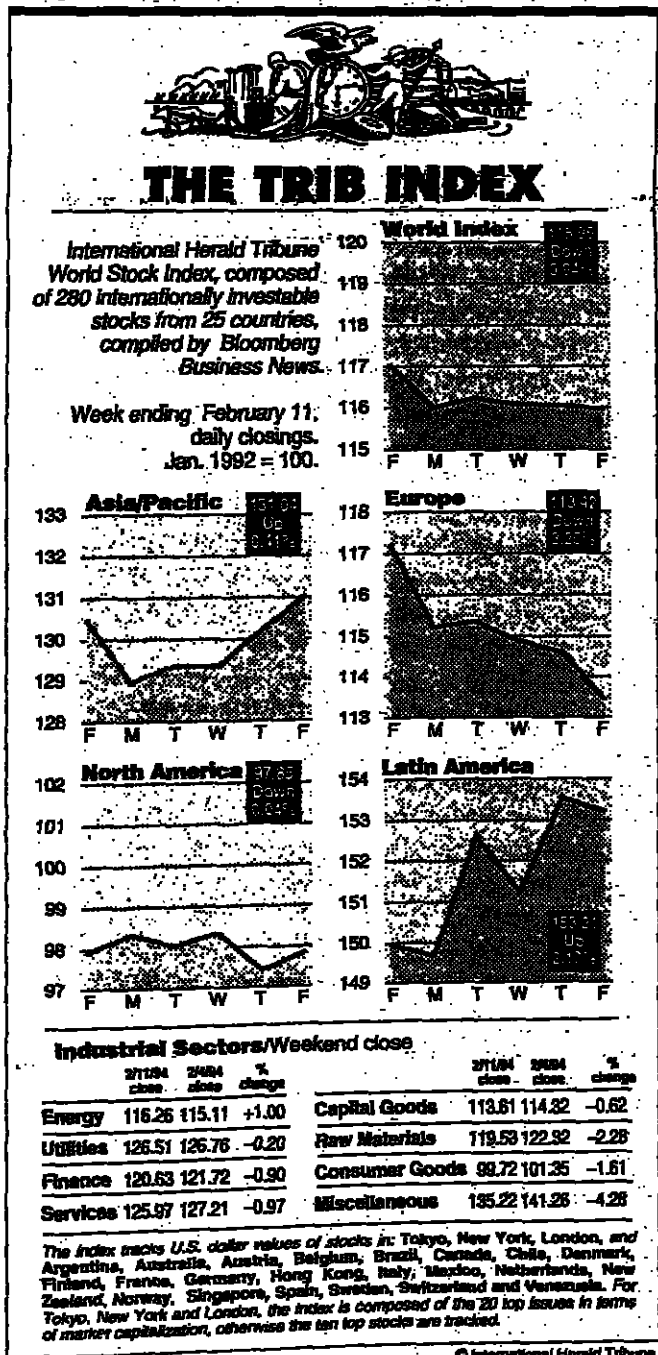
Until last August, this essentially Franco-German struggle played out in the foreign-exchange market. But when pressure there finally exploded, the permitted fluctuation bands

in the European Union's exchange-rate mechanism were widened to 15 percent either side of the central rates from the 2.25 percent previously tolerated for most currencies.

Subsequently, volatility in the exchange market has declined substantially and the franc has strengthened. In August, immediately after the crisis, the mark traded at 3.5490 francs, well above the previous ceiling of 3.4305. Now the mark is at 3.3940 francs, within the old trading band and not far from its central rate of 3.3339.

"The volatility has been removed from the exchange market because speculators no longer have a pre-

See MARK, Page 11



Computer 'David' Takes on Goliaths

By Jacques Neher

International Herald Tribune
EVRY, France — Selecting Pilgrim's Technology SA as the name for his new company last year, Philippe Truchet might have reflected on the long, arduous voyage he has endured since 1988 in the struggle to bring his concept for a user-friendly, hand-held computer to market.

While his product, called the Pilgrim, is starting to roll off a Taiwan production line, the French entrepreneur still may be a great distance from his Mecca: establishing a viable niche in the multibillion-dollar market for portable computers. Working against him are shortages of money, reputation and time to counter the goliaths of the computer notebook and notebook industry, such as Fujitsu Ltd., Toshiba Corp. and International Business Machines Corp.

"A lot of time has been wasted," Mr. Truchet said in an interview at company headquarters, where a dozen employees work in a suburban office complex in Evry, south of Paris.

After consecutively entrusting his idea to two different start-up companies in France — only to see them both go bankrupt — the 39-year-old electronics engineer last spring recovered his patent licenses and struck out on his own.

Backing the venture, with 43 percent of the capital and a high level of enthusiasm, is Advanced Scientific Corp., a Taiwan maker of notebook computers and fax machines, with 1993 sales of \$25 million.

"I think Pilgrim can be as big as Apple," said Joseph Chang, president of Advanced Scientific, referring to the icon of personal computing in the 1980s. "This is a unique, truly portable computer. If we add communications, a portable copier and portable printer, we will be able to offer a real portable office."

Like its competitors in the nascent notepad market — only a few thousand units were sold industrywide in Europe last year — the Pilgrim is designed to be used "in the field."

For example, an insurance adjuster might use a notepad to indicate damaged car parts on an electronic diagram and then calculate the claim. Or a home decorator might use one to produce an on-site estimate for a complex paint job.

The Pilgrim, which weighs 1.5 kilograms (3.3 pounds), features a dual-processor architecture that sets it apart from competitors in the notepad market. One

processor handles the usual data manipulation required by computer programs. The second processor is dedicated to the user interface, features that make the machine easy to use.

These include a voice recording capability that would, for example, permit a salesman in the field to record up to three hours of conversations, or for a freight dispatcher to give his truck driver pre-recorded instructions that would be activated when the driver arrived at his destination.

But Mr. Truchet says the most important feature made possible by the second processor is an independent "virtual" keyboard — a picture of a keyboard that appears on the screen whenever needed and permits the user to enter information by touching the "virtual" keys on the screen with any pointed object, such as a pencil.

Mr. Truchet says the always-accessible touchscreen keyboard becomes a major handicap of competing pen-based notepads, in which the users employ electronic styluses to write free-hand on the screen. The notepad market never took off, largely because of its poor capacity to recognize handwriting.

"When pen-based systems were introduced in 1991, they were promoted as 'electronic ink on intelligent paper,' but the expectations were too high," said Fereydh Khamide, president of Penplan Consulting in Munich. "It turned out to be their weakest point, not their strongest."

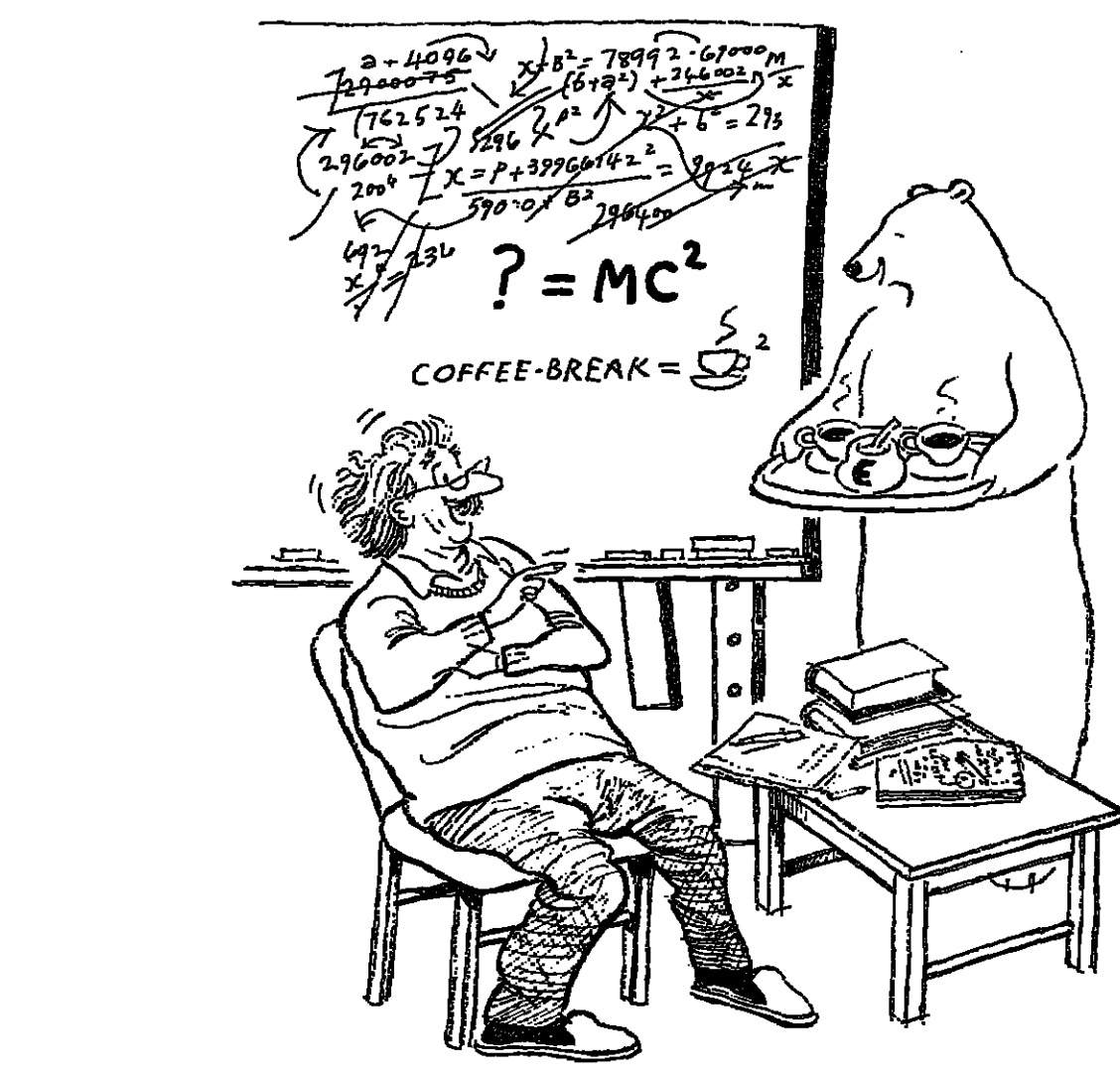
Despite his technical advance over competitors, Mr. Truchet faces the frustrating Catch-22 encountered by many start-ups — proving that his company can be counted on before anyone will count on it.

"Each time a prospective customer compares us with the competition, they always say we're the best, but then they say, 'Who is Pilgrim's Technology?'" he said.

Mr. Truchet is aiming to sell 2,000 units this year, which he said would generate around 26 million francs in sales and pretax profit of around 500,000 francs. The business plan envisions unit sales of 8,000 units in 1996, for 96 million francs in revenue and pretax profit of 9 million francs.

Mr. Chang appears much more ambitious. He said the potential for the Pilgrim will not be tapped until production volume grows to the level of 3,000 units per month. Such a volume, he said, would bring down the Pilgrim's price of around \$3,000 to where it could compete in the much larger notebook market, where models are priced at half that level.

Articles in this series appear every other Monday.



"Cream and sugar, Mr. E.?"

Astute investors everywhere know that there are no standard formulas for success. That's where Bank Julius Baer comes in. For over a century we have been delivering imaginative, personalized asset management services to a demanding clientele around the world. Year in and year out. In good times and bad. Looking for an individual formula to satisfy your investment needs? Put a Baer on your side too.

JB CoB
BANK JULIUS BAER
THE FINE ART OF SWISS BANKING

Zurich, Bahnhofstrasse 36, CH-8001 Zurich, Tel. (01) 228 51 11; London, Bevis Marks House, Bevis Marks, London EC3A 7NE, Tel. 071-423 4211; New York, 330 Madison Avenue, New York, N.Y. 10017, Tel. (212) 297-3600. San Francisco, Los Angeles, Palm Beach, Montreal, Mexico City, Hong Kong, Geneva, Paris, Bordeaux, Frankfurt. A Member of SFA

CURRENCY RATES

Cross Rates

| Currency | 1 FEB 94 | 14 FEB 94 | % change |
|-------------------|----------|-----------|----------|
| Australian dollar | 1.54 | 1.53 | -0.65 |
| British pound | 1.63 | 1.62 | -0.61 |
| Canadian dollar | 0.71 | 0.70 | -1.41 |
| French franc | 6.55 | 6.54 | -0.15 |
| German mark | 1.36 | 1.35 | -0.73 |
| Japanese yen | 107.10 | 107.10 | 0.00 |
| Swiss franc | 1.48 | 1.47 | -0.68 |
| Taiwan dollar | 20.4 | 20.4 | 0.00 |
| US dollar | 107.10 | 107.10 | 0.00 |

Other Dollar Values

| Currency | 1 FEB 94 | 14 FEB 94 | % change |
|-------------------|----------|-----------|----------|
| Australian dollar | 0.74 | 0.73 | -1.35 |
| British pound | 0.79 | 0.78 | -1.27 |
| Canadian dollar | 0.35 | 0.35 | 0.00 |
| French franc | 0.33 | 0.32 | -3.03 |
| German mark | 0.68 | 0.67 | -1.47 |
| Japanese yen | 107.10 | 107.10 | 0.00 |
| Swiss franc | 0.70 | 0.69 | -1.43 |
| Taiwan dollar | 20.4 | 20.4 | 0.00 |
| US dollar | 107.10 | 107.10 | 0.00 |

Forward Rates

| Currency | 30-day | 90-day | 180-day |
|-------------------|--------|--------|---------|
| Australian dollar | 1.54 | 1.53 | 1.52 |
| British pound | 1.63 | 1.62 | 1.61 |
| Canadian dollar | 0.71 | 0.70 | 0.69 |
| French franc | 6.55 | 6.54 | 6.53 |
| German mark | 1.36 | 1.35 | 1.34 |
| Japanese yen | 107.10 | 107.10 | 107.10 |
| Swiss franc | 1.48 | 1.47 | 1.46 |
| Taiwan dollar | 20.4 | 20.4 | 20.4 |
| US dollar | 107.10 | 107.10 | 107.10 |

Sources: FRB (San Francisco), Bank of Tokyo (Tokyo), Royal Bank of Canada (Toronto), Reuters (London), Bank of America (New York), Bank of Commerce (Taipei), Bank of China (Hong Kong), Bank of India (New Delhi), Bank of Japan (Tokyo), Bank of Korea (Seoul), Bank of Mexico (Mexico City), Bank of New Zealand (Wellington), Bank of Norway (Oslo), Bank of Sweden (Stockholm), Bank of Switzerland (Zurich), Bank of Taiwan (Taipei), Bank of Thailand (Bangkok), Bank of the Philippines (Manila), Bank of the South Pacific (Suva), Bank of the West Indies (Jamaica), Bank of the Caribbean (Port of Spain), Bank of the Americas (New York), Bank of the Middle East (Tel Aviv), Bank of the Pacific (San Francisco), Bank of the Atlantic (New York), Bank of the Indian Ocean (Mumbai), Bank of the Arctic (Oslo), Bank of the Antarctic (Antarctica), Bank of the Equator (Equator), Bank of the Tropics (Tropics), Bank of the Desert (Desert), Bank of the Mountains (Mountains), Bank of the Plains (Plains), Bank of the Coast (Coast), Bank of the Islands (Islands), Bank of the Continents (Continents), Bank of the Universe (Universe).

New International Bond Issues

Compiled by Laurence Desvillettes

| Issuer | Amount (millions) | Mat. | Coups | Price | Price and week | Terms |
|---------------------------------------|-------------------|------|-------|---------|----------------|--|
| Floating Rate Notes | | | | | | |
| Abbey National Treasury Services | \$1,000 | 1999 | 1/16 | 99.71 | — | Below 3-month Libor. Noncallable. Fees 0.15% (Goldman Sachs Int'l) |
| Banco di Napoli | \$100 | 1999 | 0.15 | 99.30 | — | Over 6-month Libor. Noncallable. Fungible with outstanding issue, raising total amount to \$250 million. Fees 0.25% (Denominations \$10,000, Merrill Lynch Int'l) |
| BHF Finance | \$200 | 1999 | libor | 99.325 | — | Interest will be the 3-month Libor flat. Noncallable. Fees 0.25% (Denominations \$10,000, Merrill Lynch Int'l) |
| Cofinoga | \$100 | 1999 | 0.40 | 99.91 | — | Over 3-month Libor. Noncallable. Fees 0.22% (Denominations \$100,000, Chemical Investment Bank) |
| Dresdner Bank | \$100 | 2004 | 1/4 | 99.90 | — | Below 6-month Libor. Minimum interest 54%, maximum 54%. Noncallable. Fees 0.50% (Lehman Brothers Int'l) |
| Giro Credit Bank | \$100 | 2004 | 1/4 | 99.90 | — | Below 6-month Libor. Minimum interest 54%, maximum 54%. Noncallable. Fees 0.50% (Merrill Lynch Int'l) |
| Goldman Sachs Group | \$700 | 1998 | 3/4 | 100 | — | Over 3-month Libor. Callable at par from 1996. Fees 1% (Goldman Sachs) |
| Pemex | \$300 | 1999 | 1 | 99.34 | — | Over 3-month Libor. Noncallable registered notes. Fees 0.50% (J.P. Morgan Securities) |
| Deutsche Bau & Boden Bank | DM 200 | 1999 | 1/16 | 100.08 | — | Over 6-month Libor. Noncallable. Fees 0.20% (DG Bank) |
| Halifax Building Society | \$500 | 1999 | libor | 100 | — | Interest will be the 3-month Libor flat. Rollovered at 99.72. Callable at par from 1997. Fees 0.43% (Denominations \$10,000, S.G. Warburg Securities) |
| Solomon | £150 | 1999 | 0.40 | 99.355 | — | Over 3-month Libor. Noncallable. Fees 0.25% (Solomon Brothers Int'l) |
| Int'l Nederlanden Bank | CS 200 | 2004 | 0.30 | 100 | — | Below 6-month Bankers Acceptances. Minimum interest 6%, maximum 7%. Noncallable. Fees 0.50% (Kidder Peabody) |
| Fixed-Coupons | | | | | | |
| Bank Nederlandse Gemeenten | \$150 | 1997 | 5 | 101.17 | — | Rollovered at 99.93. Noncallable. Fees 1% (Goldman Sachs Int'l) |
| General Electric Capital Corp. | \$400 | 1997 | 5 | 101.27 | 99.92 | Rollovered at 100.19. Noncallable. Fees 1% (Swiss Bank Corp.) |
| General Electric Capital Corp. | \$400 | 1999 | 5 1/2 | 101.52 | 99.55 | Rollovered at 99.89. Noncallable. Fees 1% (Swiss Bank Corp.) |
| Grupo Mexicano de Desarrollo | \$250 | 2001 | 8 1/4 | 100 | — | Semiannually. Noncallable. Fees not disclosed (Bear Stearns Int'l) |
| Swedish Export Credit | \$300 | 1997 | 5 | 101.88 | 99.82 | Rollovered at par. Noncallable. Fees 0.25% (Kidder Peabody Int'l) |
| Toyota Motor Credit Corp. | \$300 | 1997 | 5 | 101.28 | 99.88 | Rollovered at 100.10. Noncallable. Fees 1% (Swiss Bank Corp.) |
| Bayerische Hypothekbank | € 50 | 1999 | 6 | 100.825 | — | Rollovered at 99%. Noncallable. Fungible with outstanding issue, raising total amount to €150 million. Fees 1% (Paribas Bank) |
| Commerzbank Overseas Finance | €150 | 1999 | 6 1/4 | 101.24 | — | Rollovered at 99.64. Noncallable. Fees 1% (Paribas Bank) |
| Dresdner Finance | €200 | 1999 | 6 | 100.41 | — | Rollovered at 98.81. Noncallable. Fees 1% (J.B.S.) |
| General Electric Capital Corp. | €150 | 1999 | 6 1/4 | 101.485 | — | Rollovered at 99.86. Noncallable. Fees 1% (Deutsche Bank) |
| IKB Finance | €100 | 1999 | 6 1/4 | 99.874 | — | Rollovered at 100%. Noncallable. Fees 0.30% (Baring Brothers) |
| Lloyds Bank | €400 | 2004 | 7 1/4 | 101.213 | — | Rollovered at 99.63. Noncallable. Fees 2% (Solomon Brothers) |
| Welsh Water Utilities Finance | €100 | 2004 | 7 1/4 | 101.138 | — | Rollovered at 99.51. Noncallable. Fees 2% (Baring Brothers) |
| Welsh Water Utilities Finance | €100 | 2014 | 7 1/4 | 100.78 | — | Rollovered at 98.90. Noncallable. 25% payable on subscription, balance in Dec. 2014. (Baring Brothers) |
| Crédit Foncier de France | FF 730 | 1997 | 7.40 | 100 | — | Noncallable. Fees not disclosed. Redemption amount at maturity will be linked to the performance of the CAC-40 stock index. Denominations 500,000 francs. (Paribas Int'l) |
| Société Générale Acceptance | FF 800 | 2004 | 6 1/4 | 99.70 | — | Interest will be 6 1/4% until Dec. 1994, thereafter 15.20% less 1.85 times the 3-month Libor. Noncallable. Fees 0.50% (Denominations 1 million francs, Société Générale) |
| Thomson Brandt | FF 1,500 | 2004 | 6 1/4 | 100.334 | 99.85 | Rollovered at 98.96. Noncallable. Fees 2% (Crédit Commercial de France) |
| European Investment Bank | € 50,000 | 2001 | 7 1/4 | 101.16 | 99.60 | Noncallable. Fees 1% (Argentine) |
| Australian Industry Development Corp. | Aus \$150 | 2004 | 6 1/4 | 99.40 | 97.30 | Noncallable. Fees 2% (Bordays de Zeele Weeld) |
| National Australia Bank | Aus \$250 | 1999 | 6 1/4 | 100.35 | 98.50 | Noncallable. Fees 2% (Hambros Bank) |
| State Bank of South Australia | Aus \$100 | 1998 | 6 | 100.80 | 99.20 | Noncallable. Fees 1% (Bordays de Zeele Weeld) |
| Toronto Dominion Bank | Aus \$125 | 1997 | 5 1/4 | 100.35 | 98.90 | Noncallable. Fees 1% (Increased from Aus\$100 million, Hambros Bank) |
| Equity-Linked | | | | | | |
| Bangkok Bank | \$400 | 2004 | open | 100 | — | Coupon indicated at 3 to 2 1/2%. Noncallable. Convertible at an expected 23 to 26% premium. Mandatory conversion in 1997 if stock trades at more than 140% of conversion price. Fees 2%. Terms to be set by Feb. 16, (Morgan Stanley Int'l) |
| Fininvest | \$100 | 2004 | open | 100 | — | Coupon indicated at 3% to 4%. Redeemable from 1998 to yield 2 to 2 1/2% over Treasuries. Convertible either 100% in Fininvest Development Corp. or 22 to 35% per share, or 65% into FDC of some price and 35% into Fininvest Ltd. or 10 to 15% premium. Fees not disclosed. Terms to be set by Feb. 17, (Paragrade Securities) |
| HongKong China Treasury | \$120 | 1999 | 2 | 100 | — | Redeemable at 117% in 1997. Convertible at HK\$5.172 per share, a 16% premium, and at HK\$7.289 per share. Denominations \$10,000, (Davis Securities) |
| Maeda Corp. | \$200 | 1998 | 1 1/4 | 100 | — | Noncallable. Each \$5,000 note with one warrant exercisable into company's shares at an expected 25% premium. Fees 2%. Terms to be set by Feb. 14, (Davis Europe) |
| Nippon Conays | \$100 | 1998 | 1 1/4 | 100 | — | Noncallable. Each \$10,000 note with two warrants exercisable into company's shares at an expected 25% premium. Fees 2%. Terms to be set by Feb. 15, (Davis Europe) |
| SKL Corp. | \$200 | 1998 | 1 1/4 | 100 | — | Noncallable. Each \$10,000 note with two warrants exercisable into company's shares at an expected 25% premium. Fees 2%. Terms to be set by Feb. 17, (Yanovich Int'l) |
| Tata Iron & Steel | \$100 | 1999 | 2 1/4 | 100 | — | Noncallable. Convertible at 27% upon per share and at 31.26% upon per share. Fees 2%. (CS First Boston) |
| Nissen | DM 190 | 1998 | 0.875 | 100 | — | Noncallable. Each 5,000-mark note with five warrants exercisable into company's shares at an expected 25% premium. Fees 2%. Terms to be set by Feb. 16, (Hambros Bank) |

New Price Data Will Have Investors on Guard

Compiled by Our Staff From Dispatches

NEW YORK — Investors in U.S. Treasury bonds, who went through a roller-coaster ride last week because of one measure of inflation, are bracing for another this week. All eyes, market analysts said, will be on the consumer price index for January.

With the sentiment in the market still one of great uncertainty about how fast interest rates will go up, investors are ultrasensitive to any sign that inflation may accelerate, and thus that the Federal Reserve Board may see a reason to raise rates again soon.

Investors' touchiness was much in evidence on Friday, when after the producer price index for January was released, bond prices sawawildly. The PPI's 0.2 percent increase reassured bond investors, but the fact that the core rate, excluding food and energy prices, rose a relatively strong 0.4 percent was a different story.

In addition, the rate for capital goods — including prices for such products as machinery, heavy trucks and computers — was up 0.6 percent. "That's one sector where you really have inflation pressures building," said Robert Brusca, chief economist at Nikko Securities International Co.

A separate, reassuring sign for bond investors came later in the day when the University of Michigan reported a drop in consumer confidence in February. The Michigan survey index fell to 92.9 from 94.3 in January.

The 30-year Treasury bond gained 14/32 of a point on the day, to 97 30/32, but lost 19/32 of a point on the week. Its yield rose to 6.41 percent on the week from 6.36 percent.

The 2-year note's yield was unchanged on the week at 4.40 percent.

Analysts said the market had also been trying to digest \$40 billion in new securities auctioned last week in the Treasury's regular quarterly refunding.

This week, "People are going to be focusing on the CPI on Thursday," said Joshua Feinman, vice president and economist at Bankers Trust. He said Bankers Trust economists believe the January consumer price index will be "well behaved," up 0.2 percent, with or without the food and energy components.

Charles Lieberman, director of financial market research at Chemical Securities, called the CPI "the real issue."

"Distributing the refunding would not be a problem if the markets were comfortable with the notion that the Federal Reserve is not going to tighten monetary policy again in the near future," Mr. Lieberman said.

But he contended that another Fed tightening was both needed and likely. As a result, he said, the sale of the new securities to retail investors is sure to take longer than usual, and at higher yields than currently.

Mr. Lieberman said he expects the January CPI to post a 0.4 percent rise and for the core rate to rise 0.3 percent.

Contrary views were numerous.

"Personally, I don't think the Fed will tighten again this quarter," said John Poplos, who manages about \$3.5 billion in fixed-income securities at Delaware Trust.

The price argument for lower bond yields, said Matthew Alexy, a market strategist at CS First Boston, crude goods prices, for example, rose 1.3 percent in January while intermediate goods rose just 0.3 percent.

"Gains in crude prices aren't being passed along to the next stage of production," Mr. Alexy said.

Philip Braverman, chief economist of DKB Securities Corp., said the modest gain in producer prices demonstrated that the Fed's rate hike on Feb. 4 "was neither justified nor the beginning of a cyclical rate rise."

Therefore, he said, "bond yields will resume their decline over coming months."

(AP, Bloomberg, Knight-Ridder, Reuters)

U.S. CREDIT MARKETS

Investors came later in the day when the University of Michigan reported a drop in consumer confidence in February. The Michigan survey index fell to 92.9 from 94.3 in January.

The 30-year Treasury bond gained 14/32 of a point on the day, to 97 30/32, but lost 19/32 of a point on the week. Its yield rose to 6.41 percent on the week from 6.36 percent.

The 2-year note's yield was unchanged on the week at 4.40 percent.

Analysts said the market had also been trying to digest \$40 billion in new securities auctioned last week in the Treasury's regular quarterly refunding.

Economy In U.S. Feels The Chill

By Kenneth N. Gilpin

New York Times Service

NEW YORK — The seemingly endless freezing weather and the waves of rain, sleet and snow across the United States are hampering output, productivity and sales in businesses from construction to airlines to retail stores.

"In economic terms, we pretty much always ignore the weather," said Donald Ratzek, director of the economic forecasting project at Georgia State University in Atlanta. "This winter has been so harsh in so many parts of the country that we can't ignore it."

Mr. Ratzek is projecting that production in the current quarter, the one ending March 31, will be half a percentage point lower than it might otherwise have been. At an annual rate, that translates into a drag on gross domestic product of 1.5 to 2 percentage points.

Most economists are assuming that production lost in the first six weeks of the year will be made up in the rest of the quarter and later in the year.

But Alan Blinder, a member of President Bill Clinton's Council of Economic Advisors, said, "If this keeps up for another month, it could have a significant negative impact on the first quarter."

Despite weather that virtually shut down huge areas of the country on Friday, the government was open long enough to report that retail sales fell by 0.5 percent in January, the first decline in 10 months.

January's freezing temperatures were a big reason for the slide.

"Some of the purchases not made in the last three to five weeks will be made up, but only some," said Kurt Barnard, president of Barnard's Retail Consulting Group in New York City. "A lot of shopping in January is impulse shopping, and that cannot be made up."

USAir, an airline with a heavy concentration of routes in the Northeast, estimated the impact of the weather in January amounted to \$10 million to \$20 million in terms of revenue lost.

State Farm Fire & Casualty Co., the leading U.S. home insurer, said it expected to pay more than \$81 million in claims for storm damage in January in 14 states and Canada.

State Farm Fire & Casualty Co., the leading U.S. home insurer, said it expected to pay more than \$81 million in claims for storm damage in January in 14 states and Canada.

USAir, an airline with a heavy concentration of routes in the Northeast, estimated the impact of the weather in January amounted to \$10 million to \$20 million in terms of revenue lost.

State Farm Fire & Casualty Co., the leading U.S. home insurer, said it expected to pay more than \$81 million in claims for storm damage in January in 14 states and Canada.

USAir, an airline with a heavy concentration of routes in the Northeast, estimated the impact of the weather in January amounted to \$10 million to \$20 million in terms of revenue lost.

State Farm Fire & Casualty Co., the leading U.S. home insurer, said it expected to pay more than \$81 million in claims for storm damage in January in 14 states and Canada.

USAir, an airline with a heavy concentration of routes in the Northeast, estimated the impact of the weather in January amounted to \$10 million to \$20 million in terms of revenue lost.

State Farm Fire & Casualty Co., the leading U.S. home insurer, said it expected to pay more than \$81 million in claims for storm damage in January in 14 states and Canada.

USAir, an airline with a heavy concentration of routes in the Northeast, estimated the impact of the weather in January amounted to \$10 million to \$20 million in terms of revenue lost.

State Farm Fire & Casualty Co., the leading U.S. home insurer, said it expected to pay more than \$81 million in claims for storm damage in January in 14 states and Canada.

USAir, an airline with a heavy concentration of routes in the Northeast, estimated the impact of the weather in January amounted to \$10 million to \$20 million in terms of revenue lost.

State Farm Fire & Casualty Co., the leading U.S. home insurer, said it expected to pay more than \$81 million in claims for storm damage in January in 14 states and Canada.

USAir, an airline with a heavy concentration of routes in the Northeast, estimated the impact of the weather in January amounted to \$10 million to \$20 million in terms of revenue lost.

State Farm Fire & Casualty Co., the leading U.S. home insurer, said it expected to pay more than \$81 million in claims for storm damage in January in 14 states and Canada.

The Week Ahead: World Economic Calendar, Feb. 14-19

A schedule of the week's economic and financial events, compiled for the International Herald Tribune by Bloomberg Business News.

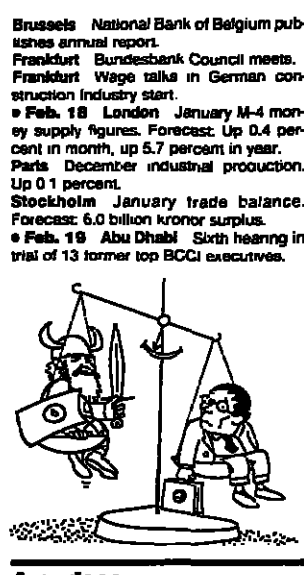
Asia-Pacific

Feb. 14 Sydney Hong Kong Government to deliver keynote address to the Australia-Asia Institute as part of a week-long visit to Australia. Hong Kong Quarterly business survey for the fourth quarter of 1993. New Delhi 10-day world trade fair. Osaka Osaka Stock Exchange to list Nikkei 300 futures and options. Feb. 15 Jakarta Indonesia to show more progress on workers' rights or risk losing preferential tariff treatment. Tokyo Government to submit fiscal 1993 third supplementary budget to parliament, and decide fiscal 1994 budget drafts. Tokyo January bankruptcies. Tokyo Wholesale price index. Feb. 16 Hong Kong Shares in Sino Metals (Holdings), one of the largest steel metal traders in Hong Kong and southern China, begin trading. Tokyo December industrial production, revised. Tokyo January trade balance. Feb. 17 Sydney February consumer confidence and December housing financing data. Wellington Gross domestic product, expenditure based at inflation-adjusted prices, for September quarter.

Europe

Expected this week: Lisbon January consumer price index. Madrid Fourth-quarter unemployment rate. Forecast: 23.9 percent.

Rome December producer price index. Forecast: Up 0.4 percent. Frankfurt December trade balance. Forecast: 7.0 billion DM surplus. Zurich January trade balance. Forecast: 600 million Swiss franc surplus. Copenhagen January consumer price index. Forecast: Up 0.2 percent in month, up 2.0 percent in year. Feb. 14 Brussels European Union finance ministers discuss unemployment. Stockholm January producer output price index. Forecast: Up 0.5 percent in month, up 4.0 percent in year. Excluding food and tobacco, up 2.5 percent in year. Oslo January trade balance. Forecast: 6.0 billion franc surplus. Oslo January unemployment. Forecast: 4.4 percent. Feb. 15 Amsterdam December producer price index. Forecast: Up 0.2 percent. Helsinki January consumer price index. Forecast: Up 1.2 percent. London December manufacturing output. Forecast: Up 0.3 percent in month, up 1.5 percent in year. December industrial production. Forecast: Up 0.2 percent. Jerusalem Sprink Corp., Elbit Ltd., BCE Inc., Telran Ltd. are expected to submit a joint bid for a second cellular-telephone network in Israel. Feb. 16 Amsterdam December industrial production. Forecast: Down 0.3 percent in month, up 2.6 percent in year. Excluding mortgage interest payments, up 3.0 percent in year. London January retail sales. Forecast: Up 0.8 percent in month, up 3.3 percent in year. London January unemployment. Forecast: Down 25,000. Feb. 17 Amsterdam Forecast rate in three months to January. Forecast: 7.2 percent.



Americas

Feb. 14 New York Rival tender offers from Vacom Inc. and QVC Network Inc. for Paramount Communications Inc. expire at midnight. Washington December business inventories and sales. Buenos Aires Iberia Air executives to present rescue plan for Aerolineas Argentinas. Outlook: Iberia, the operator, is expected to offer to increase its 30 percent stake by buying most of the government's 43 percent interest. New York 61st Annual American International Toy Fair. Through Feb. 23.

Feb. 15 Washington January industrial production and capacity utilization. Buenos Aires Presidents Carlos Menem of Argentina and Patricio Aylwin of Chile attend inauguration of an oil pipeline linking southern Argentina of fields with Chile's Pacific coast. Feb. 16 Washington January housing starts. Albany, New York and Cleveland Shareholders of KeyCorp and Society Company vote on a merger to create the 119-largest U.S. banking company. Phoenix A federal bankruptcy judge considers America West Airlines' motion to prohibit the sale of unsecured creditor claims, debentures and large blocks of its common stock. Feb. 17 Washington December merchandise trade balance. Washington January consumer price index. Washington December real earnings. Buenos Aires Government awards 10-year concession to operate a state-owned coal field in southern Argentina. Outlook: Two groups, one with Polish company Koppers and Cementation Mining of Britain as joint operators and the other with Skoda of Czechoslovakia as operator, have submitted bids. Ottawa December trade report. Orlando, Florida Independent Bankers Association of America holds convention. Speakers include Federal Reserve Chairman Alan Greenspan, Controller of the Currency Eugene Ludwig and Fannie Mae Chairman James Johnson. Through Feb. 19. Feb. 18 Ottawa January department store sales. Pittsburgh Mellon Bank Corp. is requested to repay to a letter from Representative John Dingell, a Michigan Democrat, questioning the legality of Mellon's acquisition of Dreyfus Corp.

SOCIAL: Germany's High-Quality, Hi-Wage System Begins to Unravel

Continued from Page 9

ditch talks on Friday with management, Reuters reported from Bonn. The IG Metall president, Klaus Zwickel, told German radio he was "no longer at all optimistic" there would be a fresh attempt to reach agreement.

The union, however, is a weak bargaining position. About 600,000 jobs have been eliminated in the metalworking sector since the spring of 1991.

Even Mr. Zwickel conceded that job preservation is now the union's

main goal. The union has offered to accept a lower pay increase in return for more job security.

Meanwhile, managers in an ossified, hierarchical structure badly underestimated the ability of unions to build high-quality products at lower prices. Now, the com-

bination of recession and rising foreign competition, particularly from the new low-wage market economies emerging just to the east in the former Soviet bloc, has cut into sales and earnings in the automotive, chemical, steel, heavy engineering and machinery sectors.

SANCTIONS: Backfire Likely

Continued from Page 9

and auto parts, insurance, telecommunications and medical equipment. But negotiations deadlocked over Tokyo's refusal to accept Washington's demand that "objective criteria" be established to ensure progress was achieved.

Japanese concede the United States has little choice but to strike back to maintain its negotiating credibility and satisfy congressional upset over Tokyo's \$80 billion trade surplus with the United States. The first move could come Tuesday, when the administration must decide whether Japan has violated a 1989 agreement to open the cellular phone market in Japan's main urban corridor to Motorola Inc.

If the market is deemed closed, duties could be imposed on selected Japanese exports to the United States. The U.S. company has less than 1 percent of the cellular phone market in the Tokyo-Nagoya corridor, compared with roughly 50 percent in other regions, analysts say.

The imposition of sanctions on selected Japanese exports has shown mixed success, however, and there is little enthusiasm for them among the American business community in Japan. Moreover, any pain likely to be borne more by specific companies than the broader economy. Perhaps more significant, sanctions also would cause Japan to "lose face" and sour the atmosphere in future negotiations.

Tokyo's distant for sanctions was clear in recent weeks as government officials issued veiled threats to U.S. companies here. "The message has been subtle," a U.S. executive said. "They simply asked, 'Are you prepared for damages?'"

The tactic, however, raised doubts about Japan's arguments that it has no influence over decisions made by private companies, a position used to deflect U.S. demands for "objective criteria."

"On one hand, they say they have no tools to influence the private-sector decisions, but on the other they say we'll put the screws on you," said Robert Orr, senior

Euromarkets At a Glance

research fellow at Temple University in Japan.

Korean Car Sales to Rise

South Korean auto exports will jump 27.7 percent this year, to 815,000 vehicles, partly helped by the strong Japanese yen, Agence France-Presse reported manufacturers' projections as saying.

The Korea Automobile Manufacturers Association based its forecast on the expanded production capacity of Korean carmakers, diversified overseas markets, development of new models and the yen's strength.

Weekly Sales

| Commodity | Feb. 11 | Feb. 10 | Feb. 9 | Feb. 8 | Feb. 7 |
|-------------|---------|---------|--------|--------|--------|
| Strapless | 12.15 | 12.10 | 12.05 | 12.00 | 11.95 |
| Convertible | 12.10 | 12.05 | 12.00 | 11.95 | 11.90 |
| FRS | 12.05 | 12.00 | 11.95 | 11.90 | 11.85 |
| FRS | 12.00 | 11.95 | 11.90 | 11.85 | 11.80 |
| FRS | 11.95 | 11.90 | 11.85 | 11.80 | 11.75 |
| FRS | 11.90 | 11.85 | 11.80 | 11.75 | 11.70 |
| FRS | 11.85 | 11.80 | 11.75 | 11.70 | 11.65 |
| FRS | 11.80 | 11.75 | 11.70 | 11.65 | 11.60 |
| FRS | 11.75 | 11.70 | 11.65 | 11.60 | 11.55 |
| FRS | 11.70 | 11.65 | 11.60 | 11.55 | 11.50 |

Libor Rates

| | \$ | £ | ¥ | DM |
|----------|----------|----------|-----------|-----------|
| Imports | 217.10 | 281.30 | 656.90 | 1,962.70 |
| Exports | 37.50 | — | 118.00 | 137.00 |
| Current | 24.50 | — | 4,608.30 | 805.40 |
| Services | 5,336.70 | 2,722.90 | 10,357.20 | 51,908.00 |
| Total | 5,360.80 | 3,004.20 | 15,746.50 | 8,054.10 |

Secondary Market

| | \$ | £ | ¥ | DM |
|----------|-----------|-----------|-----------|-----------|
| Imports | 10,888.10 | 21,363.10 | 31,788.10 | 39,569.70 |
| Exports | 57.10 | — | 25,919.00 | 2,241.20 |
| Current | 5,945.10 | 1,354.10 | 2,652.70 | 3,595.60 |
| Services | 7,389.50 | 10,525.90 | 7,497.00 | 26,844.00 |
| Total | 24,783.80 | 34,029.90 | 46,799.70 | 73,242.50 |

Source: Euroclear, Codel.

Libor Rates

| | Feb. 11 |
|--|---------|
|--|---------|

Sources: Euromarkets, Reuters.

Last Week's Markets

All figures are as of close of trading Friday

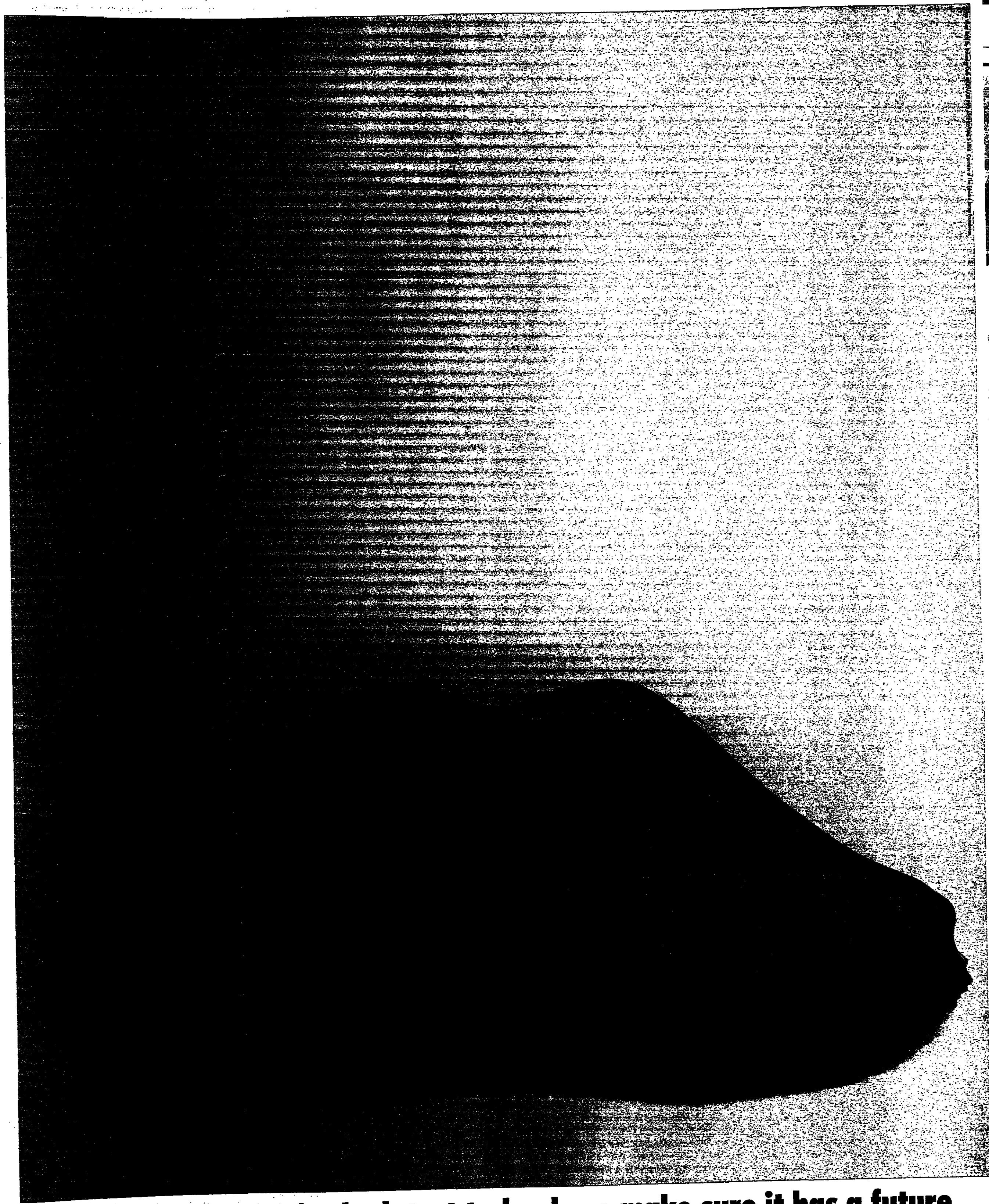
Stock Indexes

| United States | Feb. 11 | Feb. 4 | Change |
|---------------|-----------|-----------|--------|
| DJ index | 3,871.4 | 3,871.4 | +0.66 |
| DJ 100 | 220.1 | 220.1 | +1.50 |
| DJ 200 | 1,826.5 | 1,826.5 | +1.27 |
| S & P 500 | 437.48 | 437.57 | +0.02 |
| S & P 500 | 470.18 | 469.81 | +0.08 |
| S & P 500 | 507.54 | 507.54 | +0.00 |
| NVSE | 261.31 | 261.21 | +0.04 |
| British | | | |
| FTSE 100 | 3,378.0 | 3,375.40 | +2.78 |
| FT 30 | 2,594.80 | 2,594.80 | +2.77 |
| Japan | | | |
| Nikkei 225 | 19,991 | 20,281 | +1.53 |
| Germany | | | |
| DAX | 2,070.61 | 2,138.25 | +2.53 |
| Hong Kong | | | |
| Hong Kong | 11,584.00 | 12,157.00 | +5.28 |
| World | | | |
| MSCI | 671.40 | 637.70 | +2.56 |

World Index From Morgan Stanley Capital Int'l.

Money Rates

| United States | |
|---------------|--|
|---------------|--|



Before you invest in the latest technology, make sure it has a future.

Who wanted a Chesterfield in 1973, when you could lie back on a lip-shaped sofa and admire your mirrored wallpaper?

The latest innovations are always the most exciting. But have you noticed that they're sometimes the least enduring?

So, when it comes to investing in your business, you want to be certain that the communications technology you choose will be as relevant in 20 years' time as it is today. Which is why we developed the Alcatel 4000 Series, a range of advanced ATM compatible communications systems. Because they evolve with your business, they can be easily upgraded to incorporate new services, as and when you need them. If you'd like further information on business systems with a future, call (33.1) 47.69.48.82 or fax (33.1) 47.69.47.75. Alcatel. Your reliable partner in communications systems.



Moe Upsets Aamodt in Downhill For Rare U.S. Alpine Victory

Washington Post Service

The cowbells that Norwegian fans clanged raucously after Aa-

because of bad weather. They got into Lillehammer at 9:30 Saturday night and forced their way onto a bus for the trip north to the slopes in the morning.

Manuela Di Cenzo on her way to winning the gold medal in the women's 15-kilometer freestyle.

By Christopher S. ...
New York Times Service

Despite Di Centa's sunny disposition, fortune has not always treated her kindly. An early marriage failed to last, and in 1992, after a disappointing Olympics, a non-

Lamine Gueye, the only Senegalese athlete in the Olympics, leaving the downhill course in disappointment after missing a gate.

International Herald Tribune

"I'm glad he did it," said his wife, Louise Anne O'Brien, before the race began. "It was a lot of work, but he loves this so much, the skiing. I could see the life coming back in him."

"It rejuvenated me," he said, seated beside her. "I became really excited about it."

Last in the realm of details was to achieve a world ranking. He had to complete two races this season in order to qualify for the Olympics. He arrived at a Europa Cup event in Val Gardena, Italy, two months ago, and took off on his first training run. He recalled that there were

"The Canadians have really helped me, but it's still been a lot of work," he said. "There are all kinds of things you have to get done. I needed to acquire 14 different pieces of equipment. My downhill suit from 1985 was obsolete; it's slower than the ones they're using now. I needed a helmet, goggles, the right poles, skis, boots, bindings. Today they have these

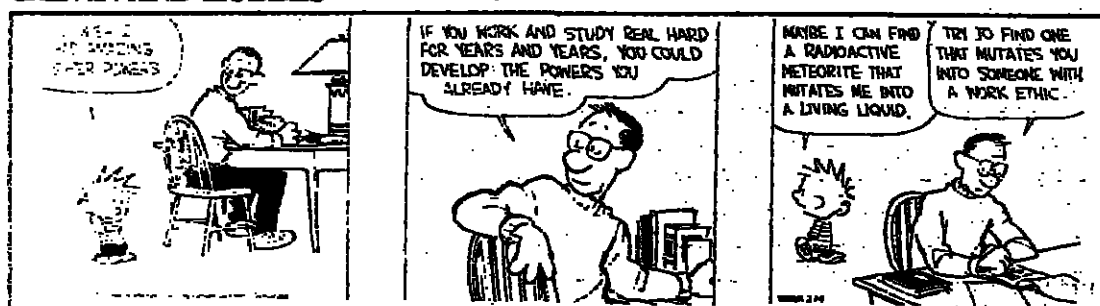
A Canadian company had custom-made a ski suit for him to wear, in stripes of turquoise and white. He remembers a technician looking at his bindings at the hilltop, but he can't recall if they were actually inspected. He was 52d of the 55 skiers entered. The medals had been decided — the bronze was going to Edward Podivinsky, a fellow Canadian, a friend of friends — when his breath appeared in

said to a larger circle of reporters, a victory wreath cradled in his arm, his skin posed against his shoulder for the cameras. "I have been paying my dues for a long time. I've put all of it into competition and now it's paid off for me."

He went on like this, oblivious to the couple behind his right shoulder, embracing as if they were one, until her tears became his.

Neither Ulvang nor Di Centa has bothered to confirm or deny. So leading questions were hardly in short supply Sunday. Di Centa gracefully and cheerfully dodged them all.

CALVIN AND HOBBS



To our readers in Austria
It's never been easier
to subscribe and save.
Just call toll-free
1-800-811-55
or fax 1-800-811-75413

هكذا امن الاله

SPORTS WINTER OLYMPICS

Hackl Breaks Mark In Seeking Historic Gold in Men's Luge

LILLEHAMMER — Germany's defending men's luge champion, Georg Hackl, took a step Sunday toward Olympic history in one of the most dangerous sports at the Lillehammer Winter Games.

After taking a lead of one hundredth-of-a-second over Austrian Markus Prock after the first run of the singles event, the stocky Bavarian is in a position to become the first man to win two Olympic gold medals in the individual event.

The 27-year-old Hackl picked a good line down the Hundertfossen track to finish the first run in a track record of 50.296 seconds, just four thousandths of a second ahead of Prock, the silver medalist at the 1992 Albertville Games.

The Berchtesgaden soldier, who first took up the sport at school at the age of 11, clocked 50.560 in the second run to extend his slim lead with an aggregate time of 1 minute, 40.856. The racers face the final two runs on Monday.

Prock went down the second run in 50.566 for an aggregate 1:40.866. Italian Armin Zoeggeler was third in 1:41.042.

Duncan Kennedy, the U.S. lugeer beaten by two Nazis while training last October in Oberhof, Germany, finished the day's two runs in fourth place.

Two of the skinheads who attacked him were arrested and subsequently convicted, one receiving a sentence of three years in prison and the other getting one year.

Kennedy's time of 1:41.220 seconds was just 0.364 seconds off that of Hackl.

Kennedy finished the first of the two runs in sixth place, but felt more comfortable the second time around, as he improved his position by two notches.

"I got some of my nerves out of the way the second time," he said. "And I took a few more risks. There's one curve — we call it the 13th, because it can be bad back — in which I made a little bit of a loop, which cost me some time. I made an adjustment the second time around."

Luge competitions are often decided by a few thousandths of a second. Although Hackl is a seasoned competitor, he will still need to look for perfection on every day.

ner of the track on Monday to clinch his place in luge history.

No man has ever won two golds in the singles since the sport was first introduced to the Games in 1964, although Steffi Martin-Walter, from what was then East Germany, achieved the feat in the women's events in 1984 and 1988.

After winning a silver medal at the 1988 Calgary Games, Hackl will rate as the most successful Olympic luger ever if he can keep his nerve on Monday.

The affable Bavarian, who has a penchant for German beer, seemed to be showing little signs of pressure.

Asked if he might have problems sleeping on Sunday night before the big day, Hackl said: "I have had no problems so far. I'm not sure about tonight. Let's just see what surprises tomorrow brings."

(Reuters, NYT)



Johann Olav Koss of Norway racing toward his world record of 6 minutes, 34.96 seconds in the 5,000-meter competition.

Skater Koss Wins 5,000 Race With World Record

The Associated Press

HAMAR — Norway's Johann Olav Koss broke his world record in the 5,000 meters Sunday to win the host nation's first gold medal of the 1994 Winter Olympics.

Koss, propelled around the Viking Ship Olympic Hall by a boisterous crowd of about 12,000, won in 6 minutes, 34.96 seconds, smashing the mark of 6:35.53 he set on the same ice Dec. 4.

"This is my biggest moment in my whole life," said Koss, the 1992 Olympic 1,500 champion and 10,000 silver medalist. "Because it's on the home track, and when you're not feeling well and it's not going good, it's really nice when you can skate good again."

Skating in the fourth pair — and immediately after an ice resurfacing — Koss lagged behind his

world-record pace most of the race, falling as much as 0.86 seconds behind with 1,200 meters to go.

But the 25-year-old Oslo medical student turned it on down the stretch, making up eight-tenths of a second on the next two laps.

He was six-hundredths off his world-record pace with one lap to go and, with the frenzied crowd chanting "Johann, Johann, Johann," set the mark with a final lap that was six-tenths of a second better than his December race.

He read the world record could be his as he closed in on the finish line.

"I never believed it before I had 12 meters more to go," he said.

His teammate Kjell Storelid, whose time of 6:42.68 had been an Olympic record until Koss skated two pairs later, won the silver. Rinjke Ritsma of the Netherlands, the world-record holder at 1,500 meters, won the bronze in 6:43.94.

Ritsma, skating two pairs after Koss, wore Lycra-covered skates and rushed out ahead of Koss's record pace. He was 2.18 seconds ahead of Koss after 1,400 meters, but had fallen behind by 3,000 meters and continued to slow.

The old Olympic record of 6:44.63, set by Sweden's Tomas Gustafson, had stood since the 1988 Games in Calgary, the only other Olympics skated indoors.

Storelid delighted the home fans with his record, his personal best by nearly two seconds. After the Dutch contender Falko Zandstra — the 1992 silver medalist — faltered and two Zambonis cleaned the ice, Koss, who got his first pair of speed skates as a Christmas present at age 8, gave the Norwegian fans a golden gift.

The Norwegians traditionally have dominated the Olympic 5,000, winning 18 of 39 medals and seven of 13 golds from 1924 to 1980. But they had been without a 5,000 medal since 1980 until Geir Karlstad won the gold at the 1992 Games.

Koss has held the 5,000 world record since February 1991, lowering his own mark for the fifth time Sunday. He was a disappointing fifth in the 1992 Games, skated just a week after he had surgery on his pancreas. He rebounded with a gold in the 1,500 and silver in the 10,000.

Slovakia Stuns Sweden With 4-4 Draw in Hockey

The Associated Press

LILLEHAMMER — Roman Kontsek scored with 5:48 left to rally Slovakia to a 4-4 draw with Sweden in ice hockey on Sunday.

Sweden won the world championship in 1987, 1991 and 1992 and finished second in 1990 and 1993. But the Olympics have been a different story. In the Winter Games, Sweden has finished better than third just twice, with silver medals in 1928 and 1964.

It is seeded second in the Olympics, but it needed a big save from goalie Hakan Algotsson on a deflected, bouncing shot with one second left to keep from losing.

Slovakia, which split from Czechoslovakia on Jan. 1, 1993, has only two players from the Czechoslovak team that won the bronze medal in 1992. It is seeded 12th in the 12-team field because only the Czech Republic was allowed to compete in last spring's world championships that determined the top 11 seeds. Slovakia got the last berth in a qualifying tournament.

Former National Hockey League players were instrumental in three goals.

After 2008, who spent six se-

sons with Calgary, made it 1-0 on a power play 7:42 into the game. After Bratislav Janos tied the game at 11:51, the former Montreal star Mats Naslund stole the puck to set up Patrik Juhlin's goal 23 seconds later.

Miroslav Satan tied the game 11 seconds into the second period, and Peter Stastny, the 17th leading scorer in NHL history, made it 3-2 on a 12-meter (40-foot) slapshot at 3:29. But goals by Roger Hansson and Kenny Jonsson put Sweden ahead, 4-3, nine minutes into the third period.

Oto Hasek set up the tying goal with a pass from the slot. Kontsek quickly fired an 8-meter (25-foot) wrist shot from the right side over the left glove of Algotsson.

The Slovaks nearly won when Lubomir Kolnik's bouncing shot from four seconds left hit Algotsson's pad and fell in front of the crease. The goalie looked behind him, then found the puck in front and fell on it with one second remaining.

United States 4, France 4: France's goaltender, Patrik Ylonen, misplayed long shots by Peter Laviolette and Brian Rolston in the final 9 minutes, enabling the United States to salvage a draw.

Although three officials' decisions went against them, the Americans still controlled the game until three turnovers left France take a 4-2 third-period lead.

The U.S. goalie, Mike Dunham, made only 10 saves, but his three best came in the final two minutes with France on a power play. Dunham hung his head and stood motionless in the goal as the final horn sounded and defenseman Brett Hauer slammed his stick against the boards.

At the other end, Ylonen bashed his stick against the ice and his teammates congratulated him for his 28-save performance. Ylonen, however, could only remember his two misses.

With 8:37 to play, Laviolette's floater from outside the zone eluded the goalie. And 2:35 later, Rolston's soft shot from the left corner got under Ylonen's stick and inside the far post.

Canada 7, Italy 2: Canada routed Italy behind two goals each by Petr Nedved and Chris Kontos. Kontos scored back-to-back during a four-goal spurt in the second period for the fourth-seeded Canadians. Nedved had an assist to go with his goals.

The Italians, seeded eighth, kept pace with the Canadians in the first period, then failed to convert three power-play chances in the second.

Wallace Schreiber started Canada's scoring run in the second when he took a feed from Derek Mayer and connected.

Canada got lucky a few times, too. Mark Astley's slapshot veered left of the net and skidded around the boards before Todd Hlushko dumped it in for a 4-1 advantage. The Italians then scored into the open net, but the goal was disallowed on an interference penalty to Gaetano Orlando.

Canada took a 6-1 lead into the final period on Kontos's goals. Orlando temporarily halted the Canadians with a goal in the third, but Nedved capped the scoring with his second goal at 14:58.

In Saturday's matches:

Germany 4, Austria 3: Germany rallied with three goals in the third period for the victory in Lillehammer. The Austrians, seeded ninth, led 2-1 on Marty Dallman's goal early in the third before costly penalties unraveled their attack.

Benoit Doucet and Wolfgang Kummer started Germany's come-

back by scoring 22 seconds apart for a 2-2 lead.

With just three Austrians on the ice, Thomas Brandel put fifth-seeded Germany up 4-2 with four minutes remaining. Manfred Muehr received a 10-minute misconduct and Engelbert Linder was penalized for roughing, leaving the Austrians undermanned.

Russia 5, Norway 1: In Jyväskylä, the Russian hockey remained the mystery it was in the days of the old Soviet Union as a team of Olympic rookies struggled before winning. Russia succeeded the Soviet and Unified teams that won the last three gold medals and eight of 10. It led 2-0 just 3:27 into its first game but outplayed Norway only slightly after that.

The top-seeded Russia is an enigma again in these Games, its first as an independent republic, with no players having Olympic experience. It did little to quiet talk of its vulnerability, although it may have coasted against 11th-seeded Norway.

Ravi Gussmanov got the first goal when he circled behind the net and tucked the puck into the right side. Sergei Berezine soon made it 2-0.

Then Norway came alive as it

kept the pressure on goalie Andrei Zuev. It finally paid off as Norway's best player, Espen Knutsen, drilled a perfect cross-ice pass to Marius Rath. Rath faked Zuev to the ice and scored into an open net at 18:19 of the first period.

Finland 3, Czech Republic 1: Finland, behind a stellar performance by its goaltender, Jarmo Myllys, got the Olympics off to a rousing start with an upset of the Czech Republic in the first competition of the Games.

The Czechs, seeded third, are a medal favorite in the 12-team tournament. But they were dominated from the opening face-off by the Finns, known more for their goaltending and defense than scoring ability.

A small, partisan crowd in Hakon Hall in Lillehammer chanted and waved blue-and-white flags as Finland led, 2-0, in the opening period on goals by Timo Jutila and Janne Ojanen. The puck slipped through Myllys's legs and off his pad on Kamil Kastek's goal that pulled the Czechs to 2-1 late in the period.

Sami Kapanen gave seventh-seeded Finland a 3-1 edge in the second period, and the score held up.

OLYMPIC NOTEBOOK

Compiled by Our Staff From Dispatches

LILLEHAMMER — The Tonya Harding-Nancy Kerrigan sideshow is giving the Lillehammer organizers more than one headache.

"We've had to change the room for press briefings after the skating," said a spokesman, Tor Aune. "We had originally planned one that can hold 150 journalists. Now we have one that can accommodate at least 450, and that might not be enough."

France's Surya Bonaly, one of the favorites for the women's figure skating title, left Lillehammer on Sunday after just 24 hours.

She attended Saturday's opening ceremony, but is training in the French Alpine resort of Pralognan. "It is in a national park and it is more convenient because I can use the ice as much as I want," she said. "Here I would get less than two hours a day."

Gerard Leopold, an assistant German biathlon coach, admitted Sunday that he was employed as an officer by East Germany's secret police, the Stasi, from 1982 to 1990. Leopold, 35, said he compiled reports on his skidders under standard East German procedures but denied actively spying.

Team officials said Leopold would remain at the Games because they were satisfied he had harmed no one.

The heavy snowfalls have left only one meter showing of the two-meter fence protecting the railway tracks, and spectators arriving by train have been jumping the fence rather than crossing the track by the bridge.

"With all the trains arriving in Lillehammer these days, we are afraid that there could be an accident if people do not bother to use the bridge," said a police constable, Atle Obstfelder.

The youngest competitor here, 16-year-old Johnny Albertsen of Denmark, got a shock when he found he was entered in the downhill.

"It must have been a misunderstanding," said Albertsen, who has never skied a downhill.

Alpine officials got him switched to the giant slalom.

Several people fainted in the crush of bodies as the crowd of 40,000 gathered for the opening ceremony. Another person broke a leg falling on the icy path back down to town.

"There were too many people coming at the last minute and quite a few didn't make it in time for the opening," said Aune, the spokesman for the organizers said.

He said the last spectators got into the arena an hour after the start.

A gang of pickpockets has moved in on the pedestrian precinct in Lillehammer, the police said after they had received about 20 reports of stolen wallets.

"Everything indicates that this

has been the work of a professional gang," said a police spokesman, Jørgen Erik Simonsen.

A Most coveted article of clothing: the Norwegian Broadcasting Co.'s parkas with fur-trimmed hoods, orange and purple splashed across the backs of the parkas to create the effect of sky and mountain peaks.

The most conspicuous clothing: the full-length minks on almost every female skating coach at Kerrigan's workout in Hamar.

Kristin Talbot, the U.S. speed skater who recently donated bone marrow to her brother, who has aplastic anemia, reported that both are doing quite well.

Talbot, 23, said she was back on the ice a week after the procedure on Jan. 11 and "I'm back to normal." Her brother, Jason, 19, is out of the hospital, and she said, "I'm just glad Jason is back to being the same old brother again."

A Florence Griffith-Joyner, the three-time Olympic gold medalist who is part of a White House delegation to Norway, wished the U.S. team good luck, but added: "Now I know why God created the Summer Olympics. I'm not out for this cold weather."

The U.S. Olympic Committee's executive director, Harvey Schiller, made a slight gaffe when he introduced the USOC's president, LeRoy Walker, to Hillary Rodham Clinton as the president of the United States.

"Harvey, I appreciate the promotion," Walker responded.

(WFP, NYT, Reuters, APF)



Sigvard Palm of Sweden being upended in his team's 4-4 draw with Slovakia in the opening round.

Russian Pairs Rank 1st, 2d, 4th

The Associated Press

HAMAR — Ekaterina Gordeeva and Sergei Grinkov of Russia, the 1988 gold medalists in pairs skating, won the technical program Sunday night, finishing just ahead of their teammates, the 1992 Olympic champions Natalia Mishkutenko and Armin Dmitriev.

Evgenii Shishkova and Vadim Naumov of Russia were fourth, just behind the world champions Isabelle Brasseur and Lloyd Eisler of Canada.

Easily the class of a field that includes six couples with medals from world championships, the top Russians were exceptional.

Grinkov had slight trouble on an individual spin, but he and Gordeeva more than made up for it with exquisite pairs spins, an impressive lift and fine footwork.

Their performance, to Spanish folk music, earned Gordeeva and Grinkov five marks of 5.9 out of 6.0 for artistic impression. Their technical marks ranged from 3.6 to 5.8, placing them first with six judges.

It's the epitome of what pairs

skating should be," said the U.S. coach, John Nicks.

It was no surprise the four-time world champions, who turned pro in 1990, were in front. Except for the 1988 world championships, they had not lost a major event from the 1983 junior world championships through 1990. And they appeared sharper than ever after a 2½ year absence to skate on the pro tour and almost another year off to have a child.

Mishkutenko and Dmitriev received the louder applause. With Gordeeva and Grinkov watching, and clapping, the defending Olympic champions put on a splendid show. Their spiral was exceptional, as was their lift, which included a backward flip in the exit. Judges from Australia and Germany had them first.

"Yes, I was happy," said Tamara Moskvina, who coaches Mishkutenko-Dmitriev. "I thought they showed emotion through the program. There was nerve in their program. It had meaning."

The couple skated to "Don Quixote."

Brasseur and Eisler, bronze medalists in 1992, skated last to gypsy music. Their excellent lift and split double twist earned them a 3.9 for technical merit from the Canadian judge, who had them first overall.

"In '92, we were sitting in the third spot with browns on our faces," Eisler said. "Now, we're sitting in third with smiles on our faces. We have as good a shot as anyone."

In the technical program, worth one-third of the total score, each couple must do eight required elements, from spins to lifts to jumps to footwork. The free skate will be Tuesday night.

Eisler was upset that he and Brasseur drew the first spot in the final warmup for the free skate, a disadvantage because the other couples get an early look at them.

The Americans did not fare well even though U.S. champions Jenni Meno and Todd Sand skated one of their strongest programs, with good spins and solid double axels. They finished sixth.

"We skated the best we could,"

Roads Clear, Trains on Time, Drivers Sleepy

The Associated Press

LILLEHAMMER — No major traffic problems had been reported as of Sunday on the narrow roads to Lillehammer and the other Olympic sites.

"The roads were clear, there were no accidents, the trains were on time," said Tor Aune, the spokesman of the Lillehammer Olympic Organizing Committee.

Helicopters had been enlisted in recent days to drive off 140 moose spotted near the railway tracks.

But, said Aune, "The only problem is transporting volunteers. The buses are not leaving on time, sometimes because the drivers overslept."

Meno said, "Whatever the marks are, there's nothing we can do about that."

SKATER: 2 'Strong Personalities' Will Share Space

Continued from Page 1

Olympics," said Evi Scottvold, who coaches Kerrigan. "You've got to do what you've got to do."

Harding's former husband, Jeff Gillooly, has pleaded guilty to helping plan the clubbing attack on Kerrigan on Jan. 6 at the national championships. Gillooly has said that Harding knew of the plan and gave the final go-ahead. An investigative panel established by the figure skating association has said that "reasonable grounds" exist to believe Harding knew of the plan to harm Kerrigan. Those must be chilling thoughts to Kerrigan.

"It's a unique situation," Scottvold said. "It's very, very taxing for everyone. She looks awfully strong to me. She's very determined. She's here to do what she set out to do all along. She'll concentrate and forget about all the other stuff."

Maybe. But Kerrigan appeared to be annoyed early in her practice. Someone said she appeared to have trouble getting into the rink. Then Mahlon Bradley, the figure skating team doctor, complained about photographers using cameras with flashes.

"She's trying to find a moment of silence," said Tanner. "Apparently that moment of silence, and a little mobility, is in the village."

A contingent of Olympic and skating officials and skating teammates, including Brian Boitano, showed up Sunday to lend Kerrigan support, saying hello, applauding her jumps.

Chelsea Clinton chatted with Boitano and Kurt Browning, the four-time world champion from Canada, then was taken to meet Kerrigan after practice.

Clearly, Kerrigan is America's sweetheart. Many think Harding has more of a burden to overcome.

Meanwhile, Harding has until March 7 to respond to a notice of a disciplinary hearing before the U.S. Figure Skating Association.

"We are agreeing with the USOC on the resolution of this situation," Ferguson said. "We are continuing with our own investigation, and she will have a chance to respond."

Until then, Harding and Kerrigan will have to settle their differences in a more accustomed forum — the rink.

Court-Brokered Approval

Michael Janofsky of The New York Times reported earlier from Portland, Oregon:

After weeks of legal maneuvering and hours of intensive negotiations Saturday, the U.S. Olympic Committee said it would let Tonya Harding skate in the Winter Olympics.

An agreement was reached in a state circuit court in Oregon City, about 20 miles south of Portland, when the Olympic committee agreed to drop administrative charges against Harding for her conduct relating to the assault on Kerrigan. That decision, canceling



Nancy Kerrigan at a training session with her choreographer.

a hearing that had been scheduled for Friday in Oslo, effectively allowed Harding to compete.

In exchange, Harding agreed to drop a suit in which she charged the Olympic committee with interfering with her right to compete in the Olympics and asked for \$25 million in damages.

By terms of the settlement, the committee has deferred any disciplinary action against Harding to the U.S. Figure Skating Association, which conducted its own investigation and found last week that grounds existed to call her conduct into question.

The association gave Harding 30 days to prepare a defense and passed the information it had gathered on to the Olympic committee, which claimed certain jurisdictional rights in the matter, since Harding's acknowledgment that she had learned about the involvement of her former husband and the others came after she had qualified for the U.S. Olympic team.

As a result, the Olympic committee scheduled its own procedural review, culminating with a Feb. 15 hearing in Oslo. At that point, Harding objected, claiming that notice of just eight days had denied her enough time to prepare an adequate defense and disrupted her training. To delay the hearing, her lawyers went into court, seeking a restraining order. After hours of deliberations, the two sides resolved their immediate differences.

"Harding realizes that it is a real critical situation," her coach, Diane Rawlinson, said in an interview in Sunday's Oregonian newspaper in Portland that was reported by Reuters.

"She knows there will be people who are really behind her and that there will be those who don't like her," Rawlinson said.

[She said Harding would leave Tuesday for Lillehammer Tuesday and was skating exceptionally well.

"Her jumps are big, her spins are fast," Rawlinson said.]

